
BUSINESS MANAGEMENT

Executive Manuals 68 and 69

KEEPING THE ORGANIZA- TION FIT—Being Executive Manual 68, on Managing Men, in a Complete Plan of Training and Service for Executive Work

*Investigated, organized, and presented by
the research, consultation, and editorial
staffs of LaSalle Extension University*

Especially acknowledging
the advice and co-operation of

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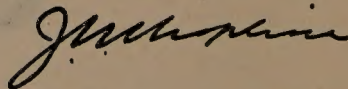
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KEEPING THE ORGANIZATION FIT

Part I

PROFITABLE SERVICE WORK FOR EMPLOYEES

UNSUCCESSFUL attempts were made, covering a period of twenty-five years, to dig a canal across the Isthmus of Panama.

Then General George W. Goethals was sent down to Panama with instructions from President Roosevelt to *build that canal*. And that canal was built.

The main reason why others had failed on this big job was that they had started in to build the canal only to find that their men could not continue the work because they were attacked by epidemics of fever.

Goethals started at the other end. He and Colonel Gorgas went to work to drive out the fever demon *first*. Then they started to dig the "big ditch"—and they finished the job.

Goethals realized that sick men can't work, so he planned for health before he planned for digging.

That is the philosophy which underlies the phase of personnel administration that we are to study in this executive manual; it is the phase of personnel management that was first called "Welfare Work," but is now generally designated as "Service Work."

Broadly speaking, the three principal phases of personnel administration are:

1. Employment and compensation.
2. Training and development.
3. The health and safety of the worker.

We have studied the philosophy and something of the mechanics of hiring men; and we have studied compensation as a problem in incentive. We have also analyzed

the problem of training men and have seen that it relates definitely to the cause, and to the job—something to be accomplished.

To complete our understanding of the fundamentals of successful personnel management, there remains the problem of providing for the health, the safety, and the general happiness of the worker, called "Service Work."

Service Work Is Largely Voluntary. Employment and compensation are imperative to the conduct of any business, no matter how large or how small.

Training, while not imperative in the same sense, nevertheless is a definite requisite of business growth and development.

Service work, excepting certain phases of it, such as workmen's compensation, is largely voluntary; it is voluntarily supplied by management because it pays, and it will pay us to understand thoroly those *voluntary* plans and acts of an employer which promote the health, happiness, and safety of his employees.

Whether they wear white collars or no collars, whether they operate typewriters or locomotives, whether there are four of them or four thousand, they will do their best on the job when they are healthy and happy; for human nature is pretty much the same, no matter what the job or who the worker.

The Fundamental Laws of Service Work. Analysis of profitable service work for employes reveals three fundamental laws, the first of which is this:

The healthier and more contented a worker is on his job, the more efficient he will be in handling his job.

The second fundamental law of service work is this:

To make healthier, happier, and more contented workers, we must make healthier, happier, more contented HUMAN BEINGS, for a worker is a human being first, and, after that, a worker.

The third law is equally simple and obvious:

To be really sound, service work must be done for (1) a selfish purpose, but (2) in a golden-rule spirit.

The selfish purpose of service work was expressed in the first law above stated. If we make healthier, happier, more contented workers, we shall realize at least their full *normal* accomplishment on the job, and, in many cases, an increase of accomplishment as a reward for our positive interest in their health and happiness.

The golden-rule spirit as applied in service work is not intended to make the management glow with self-righteousness or self-satisfaction, but to guide it in doing things that will be acceptable and in line with the natural needs of the worker—both his physical needs and those of his mind and spirit.

What we as managers feel that we should like to have done for us if we were workers and not managers—those are the things that workers would like to have us do for them.

That is the principle underlying intelligent application of the golden-rule spirit in planning service work for employes. The president of a large textile mill, in giving his views to the newly appointed personnel director of his company, phrased this principle as follows:

“I figure like this in dealing with our working folks: What we’d like, they like; and what we wouldn’t like, they don’t like.” He also said: “They come to work for us to *earn money*, and about all they expect is fair treatment—justice. Anything more than that, we give them at our own risk. It is good business to give them shower baths and tennis courts and annual picnics. But let us not fool ourselves; those tennis courts and shower baths and annual picnics won’t have the least bit of weight in an argument over 12 cents that a worker thinks he is short in his pay envelope, any more than they would with you or me if there was a corresponding shortage, in proportion to our salaries, in our salary checks.

"Give them comforts, not luxuries," he continued, "and remember that when people are off duty they would rather pick their own simple pleasures than to have the most elaborate entertainment in the world *thrust* on them. It is our job to pay them enough so that they can provide their own entertainment, not to try to invest their money for them in recreational devices or welfare plans.

"Therefore," he concluded, "I want you to operate your department on a basis of genuinely interested co-operation, but without interference."

That is a sound philosophy of service work, in harmony with the golden rule. It recognizes the essential humanness of human beings. It respects the right of the individual to choose his own pleasures and friends. And at the same time it affirms the employer's advantage in doing what he can in the interest of the health, happiness, and safety of his workers.

The Failure of "Welfare Work." When employers first began to do this service work, their attitude toward it was wrong. To them it was "welfare work," a kind of charity, something extra given to workers by their employer in a spirit of benevolence; and the employes were expected to be duly grateful. But they refused to show the expected gratitude.

An employe wants justice, not charity; he suspects "welfare work" of being a trap in which his independence may be caught.

The fact that patronizing "welfare work" was not appreciated by the workers shows that the workers as a mass have saner intuitions than some employers as individuals. Workers of every kind instinctively rally to the protection of their self-respect, which, after all, is any man's most valuable possession. They intuitively resent charity, because it is a poison that kills self-respect.

Organized Labor against "Welfare." Nor is it the indi-

vidual worker alone who resents, or at least apparently fails to appreciate, "welfare work." Organized labor has always been against the old type of welfare work, not because it does not want workers to be well treated, and their health and safety guarded, but because it does not want them to be patronized. Furthermore, organized labor is suspicious of anything that weakens its initiative or that tries to substitute any form of compensation for a fair living wage. Nor does it want its members bound to any employer by any welfare scheme or program that will deprive them of their independence and bargaining power.

Thus the old type of welfare work, conducted on a see-all-we-are-doing-for-you basis, was and still is rejected instinctively by the worker and designedly by organized labor.

The reason, then, that so many fine welfare schemes have failed is that—

People want to stand on their own feet; to follow their own desires and inclinations; to express themselves in their own way, not under the patronage of those for whom they work.

A Case of Misguided Interest. The president of a typewriter company who observed out of his office window one Saturday afternoon that a group of his men were clearing a vacant lot adjoining the factory for a baseball diamond, made a serious mistake when he put on his hat and went out and told the men he would be glad to turn loose a gang of laborers in that lot the next Monday morning and have it all cleared up and a fine baseball diamond laid out for them; and that, furthermore, he would buy them uniforms and the necessary paraphernalia if they really wanted to build up a team.

With the best intentions in the world, that executive deliberately robbed those men of several Saturday afternoons and many noon hours of the finest kind of exercise

for the body and relaxation for the mind. They were starting to express themselves by clearing up an unsightly lot and building themselves a diamond upon which they could later play with an added glow of pride and satisfaction because it was *theirs*—salvaged from a dump by their own hands.

What the president might have done to show his men that he was interested was to have gone out that afternoon and told them that it did him good to see them clearing up that lot for a baseball diamond, and if they found they were up against it for the necessary rakes and shovels, or perhaps a wheelbarrow, or a lawn roller, the company would be glad to “set it up” for them. Then, later, if they seemed really to take a serious interest in the team and he heard talk of their needing uniforms, he might have let the word slip out that the company would be glad to outfit a team.

Had he done this, it is unlikely that later in the season he would have been pained, as he was, to look out of his office window one Saturday afternoon to see the beautiful baseball diamond they had let *him* build, deserted by all save two young fellows who were having a lonesome game of catch.

This employer had the right intention but his method was that of a dispenser of “welfare.”

Welfare Work Is Now Service Work. But all the money and energy and good intentions that went into elaborate welfare schemes of the past cannot be said to have been wasted. Out of those years of experience, and fostered by the commendable spirit of employers who have had in their hearts a genuine desire to make the lives of their worker-partners more enjoyable, has grown a new kind of effort, which seems to have named itself “Service Work.”

Service work is really just another name for personnel administration as it applies to certain phases of man management. The only difference is that the

term "service work" expresses the spirit of the work, whereas the term "personnel administration" suggests the mechanics. The term "service work" describes and establishes the right attitude toward this third branch of personnel administration while "welfare work" is suggestive of the wrong attitude.

FITTING SERVICE WORK INTO A BUSINESS

Now let us proceed to get an intelligent understanding of how service work fits into a business.

We have brought out the fact repeatedly that good management does not just "happen." Someone, or some group, must be definitely responsible for successful management. This applies with peculiar force to service work. It is one of the most delicate problems in business management, because it concerns people's personal interests and prerogatives, and even their own persons.

Therefore, the ultimate responsibility for service-work policies should never rest lower than on the executive head of the business or on some of his trusted lieutenants, such as a vice president or some other of the company officers, who are in close touch with the head of the business, know his mind, and have practical intelligence in handling matters concerning the health and happiness and safety of the rank and file of the organization.

The Central Service Department. In a large business the responsible executive generally operates thru a central department, definitely organized to carry on service-work activities.

There are various names for centralized service or personnel departments. Some companies use the term, "Industrial Relations Department"; others call it "Labor Department"; others, "Employment Service Department" or plain "Service Department."

Whatever it is called, the function of a service department is not to patronize the worker but to cut down the man-relation losses of the business.

In business practice, service-work policies in large companies or industries are generally worked out by a group of the higher executives, such as the president, general manager, treasurer, etc., in co-operation with a personnel director, altho in some instances the board of directors fixes the policies. But whoever assumes the responsibility, it is as essential to have firmly established personnel policies as it is to have sound sales or manufacturing policies if the work is to progress and operate smoothly.

Every Business Has a Service-Work Problem. To cut down and keep down the man-relation losses is as important to a small business employing only a few people as to a large business. No matter how small the business is, it is important that it have a definite, constructive service-work policy, if not a special department.

Some one man, or group, in particular, should be charged with the responsibility of looking after the health, happiness, and safety of the workers in every business.

In smaller businesses, the practice usually is for the executives and department heads to meet occasionally to talk over the problems and formulate policies, and then place the responsibility for carrying out their plans in the hands of some one, or more, of the group who has a "knack" in applying the golden-rule attitude previously explained.

This man must remember always that it is the *human* side of the problem that is important, not the mechanical; that service work should be organized and carried on as a human-nature department or function, not as something of offices and titles and charts.

Preventive and Constructive Service Work. Recognizing the importance of organized direction of service work and of the right attitude toward it—the attitude of co-operation without interference—let us enlarge our understanding of this work by analyzing its two main func-

tions. One of these functions is preventive, and the other is constructive.

I

Preventive service work eliminates so far as possible the preventable causes of accidents, sickness, friction, misunderstanding, lack of co-operation, and needless employment turnover.

II

Constructive service work builds up health, plant spirit, teamwork, a contented personnel, and satisfactory production and service.

Applied to the business organization, service work is, in the words of the president of one large company, what lubricant is to an engine—it helps to keep it running smoothly.

Developing Latent Abilities of the Personnel. Modern service work embraces selection and all-round mental, physical, and technical development of every man in an organization, from the workers in the ranks to the highest executives; it brings the very best individual and co-operative human effort into action thru the complete utilization of the latent abilities of every man in the organization.

Many companies which have been striving for years to build up an excellent organization and to maintain the best spirit among the men now find in service work their most effective means of accomplishing these things. They have come to a realization that, rather than being merely a cure for labor troubles, well-planned service work is in reality a preventive of labor troubles, and a prerequisite to better production. They also know that service work, when broadly conceived and carried out, is a means of harmonizing the human activities in all departments. The result is avoidance of friction and notable development of teamwork, as well as increased individual enthusiasm and efficiency.

What Service Work Comprises. How go about it to cure the human ills of business and build up the latent

abilities of the personnel? What are the points of contact between the service department (or the responsible executive) and the worker on the job?

Let us answer this question by listing the personnel activities of a large company employing thousands of workers. This will give us a comprehensive view of the interests and ramifications of highly developed service work, as fitted into a complete personnel program.

Personnel Activities in One Large Company

1. General supervision of working conditions.
2. Employment, discharge, and transfer.
3. Labor adjustments.
4. Legal counsel to employes.
5. Plant police protection.
6. Fire protection.
7. Accident prevention.
8. Accident compensation.
9. Factory mail for employes.
10. Employes' insurance.
11. Health supervision.
12. Emergency hospital service.
13. Factory library.
14. Factory newspaper.
15. Educational work.
16. Alien division—Americanization.
17. Restaurant service.
18. Retirement awards.
19. Suggestions system.
20. Housing supervision.
21. Bureau of athletics.

Read the foregoing list over again before proceeding further, for it gives a clear idea of the fundamental points of relation between the employer and employes, with a suggestion as to the employer's moral obligations toward the men and women who work for him. It brings out, also, the interdependence of employment and compensation, training, and service work.

The Service Problem of a Small Business. With the exception of the alien problem, plant police, the housing problem, the plant newspaper, and perhaps one or two

other activities, the small business has to deal in some fashion with the problems covered by this list. It may be that they are dealt with informally, as they naturally would be in a small business, but dealt with they must be by someone in the organization.

Every group of workers, no matter how small, will, over a period of months or years, develop and force upon their employer nearly every problem common to man in his relation with other men.

The executive in charge of a small store or office may not have to create a department of legal counsel, but he may have to go to the police court to bail out one of his workers who spent a Saturday night too boisterously.

He may not have to maintain a fire department, but he has to watch that the boys in the shipping room do not smoke surreptitiously near inflammable packing materials; he has to see to it that there are fire extinguishers at proper points, that the doors open out, and that there are fire escapes where needed.

He may not have to maintain a hospital, but often he has to send a girl with a toothache to the dentist, or good-naturedly scold one of his executives into getting a pair of rubbers for stormy weather.

He may not have to work out a pension system, but when old Mr. Jones, who has been with him for twenty-seven years, suffers a paralytic stroke and is laid up for the rest of his life, he pretty nearly has to make some financial arrangement to keep the old man and his wife from starving to death—or lose his own self-respect and the respect of all the rest of the organization, if not of the entire community.

There may be no call for a private library for the business, but the manager may from time to time find it a good thing to buy books on subjects related to the business for some of his executives or workers.

There may be no call for educational classes or lectures, but the head of even the smallest business may

find it greatly to his advantage definitely to encourage his more ambitious workers to prepare themselves for better and faster development of ability to assume certain higher responsibilities in his organization.

Such are some of the service problems of the smaller businesses; they are essentially the same as those of larger business concerns. The success of the man who handles them will depend very largely upon his having an enlightened *attitude* toward the problems—the attitude expressed in the third law of service work: “To be really sound, service work must be done for a selfish purpose, but in a golden-rule spirit.”

Service Work Ties into Production and Profits. In business practice, there is always a close relation between service work and other phases of man management previously studied. It relates itself to the cause closely, for the cause is something that must be absorbed, not by the intellect merely, but by the heart. Men must *want* to serve a cause before they will serve it effectively, and—

Well-planned and conducted service work creates that spirit of mutuality between management and men that makes men want to give their best.

Service work also closely relates itself to the job, because health of mind and body and contentment of spirit underlie any man's ability in efficiently handling any job.

It closely relates itself to employment, because well-directed service work wins workers to a company and makes the employment department's job easier in two ways: (a) by decreasing employment turnover, because the workers are contented to stay in the organization; and (b) by attracting workers to a business as a result of the fine reputation of the business in the community.

People are always more eager to join an organization where the workers seem to be enjoying themselves.

And service work relates itself closely to compensation, because it operates on certain powerful human in-

instincts. These instincts and desires are recognized in effective plus-money forms of compensation.

It relates itself closely to training. If men are healthy and happy, they start with the right attitude; they are able, willing, and eager to learn.

Why Service Work Is Worth While. While it is true, as experienced business executives frankly admit, that service work directed toward improving the physical, mental, and social condition of employes is frequently not appreciated (for it is done, remember, for a selfish purpose, even tho in a golden-rule spirit), yet, if intelligently directed, it nearly always is worth more than it costs, because—

It minimizes labor turnover.

It makes training easier and helps the business to grow that much more easily and rapidly.

It tends to improve the quality, and even the quantity, of work accomplished.

It helps to eliminate wage or salary friction by compensating men's spirits as well as their pockets.

Service work is distinctly worth while, even if it is frequently not appreciated. But lack of appreciation can be minimized by a service manager who understands the true underlying philosophy of efficient service work and can intelligently apply his understanding. Let us, therefore, develop ability in this direction, beginning with the problem of keeping workers physically fit, as covered in Part II of this executive manual.

KEEPING THE ORGANIZATION FIT

Part II

KEEPING WORKERS PHYSICALLY FIT

WHILE the textile manufacturer's prescription previously stated—"genuinely interested co-operation, but without interference"—is a sound principle as applied to recreational activities, the employer must of necessity take much of the initiative when it comes to the problem of keeping his employes physically fit.

A group of employes is much like a family of children so far as their health is concerned. Children, and grown-up children, are notoriously careless of their health. They have to be made to wear their rubbers; they have to be bribed to take castor oil; they are not willing to go to a dentist until a tooth aches.

Knowing that their children are careless about their health, parents realize that they must take the lead; they must "sell" them on the principles of good health, and, if necessary, insist on the measures required to preserve it. And the business man faces about the same responsibility for the bodily health of his employes.

The Health Problem in a Nutshell. Briefly summed up, this health problem may be analyzed as follows:

Workers are not efficient if they are not well.

They tend to be careless of their health.

They must, in the interest of accomplishment, be kept as fit as possible physically.

Often they will not take the initiative themselves.

They must therefore be saved from themselves, so to speak.

The employer must have a certain program or policy regarding health, sanitation, and safety.

He must expect to "sell" that program or policy to his workers.

And he must expect to *keep on* "selling" it, day after day and week after week and month after month.

For people slip, slip, slip in matters of health, and they must be "sold," "sold," "sold."

That is the health problem in a nutshell. The principle to be remembered is this:

Since workers are not efficient if not well, and since they tend to be careless of their health, the employer must form a program in the interest of their health, sanitation, and safety, and he must continually "sell" this program to the workers.

Handling the Health Problem at the Beginning. One of the tests used by alienists for testing the sanity of persons who are mentally deficient is to place them before a tub into which water is flowing from a faucet, give them a dipper, and ask them to empty the tub by bailing with the dipper.

Some bail away indefinitely in a hopeless race with the stream from the faucet. Others prove their intelligence by first turning off the faucet. Still others bail for some time before they think to turn off the faucet.

The intelligent handling of the problem of building up the health of an organization, and also of doing away with accidents, is a matter of first turning off the faucet and then working with the remaining problem.

As it applies to health, this means subjecting applicants for jobs or positions to a physical examination *before* they are hired. Herein the employment and service-work phases of personnel administration dovetail.

As applied to safety, it means the introduction of safety appliances before accidents have a chance to occur. Herein is the relation of service work to the machinery of production.

It is preferable and more profitable to forestall sickness and accidents than to allow them to occur and then seek to cure the trouble.

Overcoming Opposition or Resentment. It is common

practice to-day to insist that all applicants for positions undergo a physical examination before employment. This is not confined to large industrial organizations; it is the practice of many department stores, hotels, life insurance companies, banks, and other relatively small organizations.

And it is common experience, in requiring such an examination, to face a certain amount of opposition and resentment on the part of applicants. This opposition or resentment usually comes from one or more of the following causes:

False modesty and self-consciousness.

The feeling that "this has nothing to do with the job."

Fear of discrimination on account of some slight (or even imaginary) physical defect or abnormality.

Knowledge of having some disease that is sure to bar employment.

The first cause of opposition—self-consciousness—has no ground whatsoever, but the skilled employment interviewer or the examining physician will take care not to be rude or impatient with overly self-conscious people. He will explain away the self-consciousness in a friendly, courteous spirit.

A young girl who was applying for a position with one of the large New York banks returned to the employment director one morning and announced that she could not permit the doctor to examine her. "He's too young a man," she explained diffidently. The employment director (a woman) had been thru a trying morning, and this petty objection was therefore irritating. But she knew how to look thru other people's glasses; she had learned to adjust her focus to other people's viewpoints quickly, much as one turns the little wheel that focuses a pair of opera glasses; so she just smiled good-naturedly at the girl and asked an apparently irrelevant question:

"Do you enjoy ocean bathing?"

"Yes," said the girl, "very much."

"Often go out to the beaches?"

"Oh, yes, frequently in the summer."

With another friendly smile—"I imagine you feel just terribly embarrassed, parading around the beach in one of this season's abbreviated bathing suits, with all those strange young men looking at you, don't you?"

"Why, not ex—" and an understanding light broke over her face.

"Well, Margaret Brown" (with a reassuring little squeeze of the arm), "you just chase along to that doctor's office now and behave yourself. He won't see half as much of you as you exhibit to the world at large at the beach; and anyway you are nothing but another applicant to him, with lungs and a heart and blood pressure and teeth and eyes to be tested; and he'll likely be bored to death over it, having examined a dozen or more other applicants this morning already."

And this applicant was on her way back to the doctor's office, satisfied.

"Has Nothing to Do with the Job." This second objection is encountered only now and then, altho it is apparent that physical fitness most certainly does have something to do with the proper handling of a job.

The wise employment interviewer will take the trouble to "sell" the importance of a physical examination to such applicants. It will help them, if hired, to start with a more intelligent understanding of the fact that a job is something to be accomplished, and that accomplishment is dependent upon health as well as on strength or skill or ability.

Knowledge of Some Disease That Will Bar Employment. This fourth objection to a preliminary physical examination is the only one that is valid. (The third objection is considered later).

Obviously many, tho of course not all, employers must turn off the employment faucet, figuratively speaking, so far as the fourth class is concerned.

The need for this is clear from the experience of a Middle-West department store which requires applicants to undergo a physical examination. Out of all the applicants examined, only 5 per cent are rejected on physical grounds, for some one of the following reasons: Venereal diseases, tuberculosis, skin troubles of a contagious character, contagious eye diseases, or general physical unfitness.

The last named showed the lower percentage, and the first the highest. But the fact of outstanding importance is that the majority of applicants infected with venereal diseases were applying for positions in the kitchens, market, and soda dispensing departments. Altho the percentage of such applicants is not large, the importance of a physical examination that weeds them out is plain enough.

The Fear of Discrimination Generally Groundless. The experience of this same department store proves conclusively that the third objection to the physical examination—fear of discrimination—is groundless, for it was found upon analysis that 25 per cent of the store's applicants had minor physical defects or negative tendencies, listed in the order of their frequency as follows: defective teeth, nose or throat trouble, defective vision, flat foot, varicose veins, slight hernia.

Did these defects disqualify these applicants? No; they were hired. As every physician knows, the average man or woman has a little something abnormal or "off" about him or her, and to follow too strict a policy would be to reject practically every applicant. What this store does is to hire these people with minor troubles and use the knowledge of these troubles to the advantage of the applicant.

This it does in two ways. First, it places him (or her) in a position where the trouble will not be aggravated by the nature of the work. For example, a person with fallen arches will be given a position where little standing is required; or a boy with slight hernia, who may have been unconscious of it himself and has applied for a position in the shipping department where heavy lifting is required, will be kept out of that department, but may be hired for some other job which he can handle well without risk of injury.

Second, the store physician will recommend, wherever possible, treatments or working methods calculated to correct these physical disabilities; and he will follow these cases up from time to time to keep track of their progress and to make further helpful suggestions if possible.

Objectors Are Often Good Workers. Of course, not every applicant objects to a physical examination. As a matter of fact, only a small percentage of them object to it. But among those who do object, there may be applicants who will make the finest kind of workers if employed; they are capable of forming convictions.

And so—

The executive who is responsible for the employment policy must not permit impatience or shortsightedness to affect his policy toward those applicants who are diffident, or are plainly resentful, when required to take a physical examination.

His task is, as brought out in the executive manuals on psychology, to substitute positive ideas and a sensible viewpoint in their minds in place of their own negative ideas or fears, as did the bank employment director in the incident of the girl who thought the examining physician too young a man.

Indeed, the shrewd employment interviewer takes pains to "sell" the physical examination to every appli-

cant—realizing that there are some who would never give utterance to their fear or resentment—with some such explanation as that employed by a Boston employment director, which runs about like this:

“Now Mr. (or Miss) Blank, I guess I’m about thru questioning you and I’m going to pass you along to Dr. West. Whenever we are sufficiently interested in a person to want to take them into our organization we ask the doctor to give them a little quick going over to make sure they are O. K., and, more particularly, perhaps, to prevent their being put at some sort of work for which they are not fitted physically and would consequently be likely to fail at, or which might even prove injurious.

“We seldom have to turn anyone down because of physical unfitness, but often we find that by knowing people’s physical characteristics we can place them to better advantage.

“Miss Easton (to his secretary), will you please introduce Mr. Blank to Dr. West. And Mr. Blank, stop in to-morrow morning for another chat with me and I’ll let you know just what the prospects are.”

And before the applicant knows it, he is in the doctor’s office, and the doctor is taking up the “selling” just where the employment director left off.

Since workers are generally opposed to taking physical examinations in connection with their employment, and since such examinations are a wise practice, the executive should make a special effort, if necessary, to “sell” this practice to his applicants.

Placing the Physically Handicapped. Business men now consider seriously the problem of placing the physically defective applicant or employe where his defect will be the least handicap in his work. They do not do this as charity; they know that crippled men, even blind men, seek an opportunity to earn their own way.

Correctly placing the physically handicapped is a mat-

HELPING HANDICAPPED WORKERS TO MAKE GOOD

The Ford Motor Company, Detroit, made a special study of the problem of helping substandard and physically handicapped men to make good on the job. This they did by carefully analyzing each operation in the making of the Ford car and classifying the resulting jobs as to the kind of work—hand or machine; whether physical labor involved was light, medium, or heavy; and all the special requirements and conditions pertaining thereto.

As reported in Mr. Ford's book, *My Life and Work*, it was found that there were 7,882 different jobs in the plant, divided as follows:

949 heavy-work jobs, requiring strong, able-bodied men, who are practically physically perfect;

3,338 jobs requiring ordinary physical strength and development;

3,595 jobs requiring no physical exertion; performable by the weakest sort of men, or even by women or older children.

The lightest jobs were classified and it was found that—

670 could be filled by legless men;

2,637 could be filled by one-legged men;

2 could be filled by armless men;

715 could be filled by one-armed men;

10 could be filled by blind men.

It was found that those who were below standard physically were just as good workers, rightly placed, as those up to standard. For example, a blind man was assigned to the stock department to count bolts and nuts for shipment to branch establishments. Two other able-bodied men were already employed on this work. In two days the foreman sent a note to the transfer department releasing the able-bodied men, because the blind man was able to do, not only his own work, but also the work that had formerly been done by the sound men. •

Even bedridden men were found to be able to earn their wages. The beds of men in the hospital who were able to sit up were covered with oilcloth aprons and the convalescents set to work (if they wished to do it) screwing nuts on small bolts—and their production was about 20 per cent above the usual shop standard of able-bodied men! The men were glad to get the work; they earned their full wages; they slept and ate better and recovered more rapidly.

That is a fine illustration of a golden-rule attitude, based on an intelligent understanding of men and of the work to be done, put into practice, not as charity, but for the purpose of getting production and making profits. Furthermore, it serves to bring out strikingly the idea introduced in the chapter on the job: that a job is not something to work at or something to spend time at, but something to be accomplished.

ter of having the right attitude toward them as individuals, realizing that they can work just as effectively as anyone else (and sometimes more effectively than a less handicapped person) if given the right job. It is nearly always a matter of making a very careful analysis of the requisites of the jobs forming the daily work of a business.

Keeping Tab on the Health of Employees. The physical examination serves not only to eliminate applicants who have serious ailments and to place to better advantage those who are physically subnormal, it may also serve in periodically checking up on the health of all workers as part of a plan for keeping all members of the organization physically fit.

The examining physician can advocate changes of position or different methods of work for the individual. He can suggest changes in diet or living modes; and he can recommend methods of overcoming fatigue. He can also suggest changes in training methods that will make for greater ease of operation when the training is turned to actual practice. And all of these things will help to keep the organization fit by keeping the individuals fit.

The idea of a yearly or semiannual physical examination is spreading rapidly among business organizations. As a rule, they find it best not to require such an examination, but to make it popular, selling the idea to the workers in various ways.

One organization put the idea into effect successfully by having the president and the board of directors and all the officers undergo examinations during a particular week and letting the news be spread broadcast thru the plant. The next week the department heads and foremen were invited to apply at the medical department's office for appointments. The following week, and for several weeks after, the rank and file of workers were examined. The example set by the executives was followed by the workers, who were led to see that it was a

desirable privilege, not at all a requirement, to have a physical examination.

Human nature is such that it resists being required to do anything; men like to act on their own volition.

The National Lamp Works of the General Electric Company popularized the work of its medical department by a series of health talks which focused attention and interest on that department.

Another company finds that its dental clinic wins over its workers to the medical department. When a man has a toothache he is willing to put himself completely in the charge of anyone who can do something to relieve him of the pain. After that he is used to dealing with the company's health authorities.

Of course, the success of any plan for keeping workers fit by means of periodic examinations, and by such obvious means as first aid and hospital treatment, depends to a very considerable extent upon the personality of the doctor and the nurse. They must command the confidence of the worker, not only in their skill, but in their sincerity and desire to help them in a genuinely friendly spirit.

How Suspicion May Ruin a Health Program. Nothing will so quickly smash a well-worked-out health program as for the workers to feel that the doctor or the nurse is spying on them for the company.

A large Chicago wholesale house, which operates cotton mills in the South and employs a nurse at each mill to look after the health of the women employes, makes it a rule that under no circumstances shall the nurse disclose to the manager or foreman any details whatsoever concerning the condition or health of any woman. The nurse can recommend to the mill management that certain changes be made or certain things done in the interest of a particular woman or group of women, but no reasons or explanations are required or permitted. The

result is that the women in those mills give the nurses their confidence freely and it is possible to keep them up to a high state of physical fitness for their work.

The American Telephone & Telegraph Company provide for the confidential element in handling this problem by having the medical records bear numbers only. Only the physician in charge has the list of names that go with the numbers, and it is never seen by other eyes.

The worker should be made to realize that the purpose of the company nurse and doctor is to promote his (the worker's) health and well-being, and not to spy on his health in behalf of the company.

The Doctor's Relation to the Organization. Large companies as a rule have their own doctor in constant attendance. Smaller houses, which cannot afford a full-time doctor, arrange to have a local physician observe certain office hours in their plant or building, and they may employ a nurse to attend to the medical needs of the organization during the other hours of the day. This latter plan is followed even in the larger organizations in supplying the services of a dentist and oculist.

Another possibility, where a business is not large enough to require the full time of a doctor or a nurse, is to combine with one or more other small companies in the support of a doctor and a nurse. With such an arrangement, the doctor and the nurse may spend certain hours each day with each company; or a central office may be maintained by the doctor at some point convenient to all of the companies.

To Whom Should the Doctor Report? As already suggested, the doctor (or the nurse where there is no doctor) should report directly to the one in the organization who directs the policies of personnel administration, whether that individual is the president, the vice president, or some other officer. He should never report to anyone lower in authority, for his work is concerned, not merely

with the every-day practice of health work, but with the formulation of health policies. He must, therefore, deal directly with the official who has authority to say "Yes," or "No."

This does not mean that the doctor (or the nurse) should not co-operate with executives of lower standing in the organization. On the contrary, he should, for example, be in very close touch with the employment executive, for his work is part of the employment function; he stands at the door of the business alongside the employment executives. He passes on the physical fitness of applicants, while the employment executive passes on skill and ability. The doctor's office should, in fact, be located close to that employment executive's office, to save time and lost motion in the employment process.

But the doctor's work should not end here; it should, like the training function, follow the worker on to the job and keep an eye on his health in a preventive way, as well as minister to him in case of accident or emergency.

How the Doctor May Co-operate Broadly. The doctor (or nurse) may also co-operate broadly with the organization as a whole by initiating, or at least assisting in, the formation of plant health- and safety-committees. Working thru such committees, he may put on a popular educational health campaign, with illustrated lectures, bulletins, etc. He may work with the mutual-benefit society in the interest of the health of its members. And he may, and should, co-operate with the local public health authorities and the hospitals of the community to get every possible benefit for the members of the organization which he serves.

Why All This Health Work Is Necessary. That all of this medical precaution is needed in industry is proved by the published figures representing the time and money

loss due to illness in a single year. It was estimated that during a twelve-month period covered by one recent study, there were 13,000,000 cases of illness in the country, involving a total loss of approximately a hundred million dollars—and that a very large part of this loss had been preventable.

The individual employer is likely to think that this does not affect him; that it is one of those vague statistical facts that sociologists like to deal in. One such employer, an automobile manufacturer operating a comparatively small factory, who entertained this view of the subject, was astonished to find, when he hired a man to look after the service work around his plant, that in one small department of his business at least one of the four men employed in the department was out every day in the week from the effects of carbon monoxide fumes, and that he was therefore having to employ four men regularly to do three men's work.

To overcome these fumes it was found necessary merely to place a hood over one of the machines, with a vent pipe leading out to the roof, and to run an exhaust pipe out thru the side wall. Thereafter three men easily handled the work of this department.

Health work is to be recommended for the selfish reason that it is profitable in the long run, since in cutting down the sickness list and in raising the vitality of the workers, it saves more money for the company than it costs.

Safety Work—the Ounce of Prevention. The big value of health work lies in prevention rather than cure. Fumes or germ-laden air, exposed moving parts of machines, running belts—such things lead to accidents; and elimination of them is merely a matter of the ounce of prevention which is so much more effective than the pound of cure.

Such slight beginnings as septic infections often result in serious consequences, and the minor injuries of indus-

try frequently develop seriously if not given proper attention at the time they occur.

A large Eastern department store states that the introduction of an emergency hospital to take prompt and proper care of all minor accidents and illnesses resulted in reducing the number of absentees by more than 70 per cent; while a manufacturing concern in the Middle West reduced the number of cases of infection (which generally resulted in lost time on the part of workers) from an average of six cases a day to that many cases a month.

Thus we see that this phase of health work—prevention—while perhaps costly to maintain, has such a close relation to efficiency and production on the job that it may actually help to pay dividends.

The Workman's Compensation Act has done much to arouse employers to the need for a definite safety program, but the farsighted executive will not wait until he is forced to make his business safe for its workers; he will do this because it is good business to protect the men and women in whom he is investing his money, in salaries or wages, in training them, and in other phases of service work.

One authority (Benge) states that with mechanical safeguards the number of accidents in industry can be cut down one-quarter, while to prevent the other three-quarters requires education. "It is not sufficient that mechanical safeguards be installed and then left to perform their expected miracle," says Benge. "Careful inspection is necessary to see that the actual safeguards are kept in proper repair, to see that the workers are using them, and to see that they do perform what was expected of them.

"Safety education has been shown to be the biggest task of the safety section.

"In this it must work hand in hand with the division of training and education."

A study of the results of organized safety work in nine well-known companies shows the following percentages of accident reduction:

<i>Name of company</i>	<i>Percentage reduction</i>
Cadillac Motor Company.....	69
Commonwealth Edison Company.....	40
Eastman Kodak Company.....	78
Fairbanks Morse Manufacturing Co.....	72
International Harvester Co.....	88
Jones & Laughlin Steel Company.....	78
Packard Motor Car Company.....	72
The Pullman Company.....	46
U. S. Steel Corporation.....	41

It is particularly important to consider the relative frequency of accidents each hour of the day. Accidents increase as the morning wears on, decrease over the noon rest period, and then steadily increase once more up to the end of the afternoon. This condition is due in great part to accumulated fatigue.

Fatigue Is an Important Health Factor. Fatigue is a health factor that bears a direct relation, not only to accidents, but to accomplishments and profits.

Scientists have developed the fact that—

Fatigue is the result of poisons which are created in our bodies as a result of muscular and mental activity. Rest affords the blood an opportunity to remove these poisons, and with them the fatigue, so that we are fit to continue work.

That is a very important fact for the business executive to consider. Give men (and women) even brief rests and they will in nearly all cases more than make up for the time lost. Taylor demonstrated this in a remarkable way with a workman by the name of Schmidt at the Bethlehem Steel Company's plant. Schmidt was accustomed to carrying 12½ tons of pig iron per day. When two-minute rest periods were introduced at scientifically planned intervals he was able to carry 46½ tons

per day, and without any greater physical wear and tear.

The rest principle applies to office workers as well as to industrial workers. Many office managers are now having their working force drop all work for a brief period in the middle of the morning and again in the afternoon and do light calisthenics (with the windows opened wide), or at least they are permitted to leave their desks and "stretch their legs." This is not a fad; it is a very valuable measure to increase the health and productivity of the workers by giving their blood an opportunity to carry off the fatigue poison.

Proper Nourishment a Health Essential. One of the most important of all health considerations is the problem of the noon meal. Nourishing food, well cooked, is a health essential. As modern business is organized, with many workers living so far from their homes that they cannot go home for the noon meal, it often becomes a part of a company's service work to provide food for its working force, or for such members of it as care to avail themselves of the service.

Nor is the distance from home the only problem. Frequently a business is so located that its workers cannot get sufficient wholesome food for the price that their wages or salaries justify them in paying. The company, by buying in quantity and serving without frills, can sell meals at a price which helps to make the worker's pay go further and to that extent increase their contentment with their work.

Management often finds that, by providing its workers with suitable noon meals, it can increase their health, vitality, and well-being.

But the lunch room where everything is sold at cost usually raises some perplexing problems. Most people are more finicky about their food than about anything else they buy, and they tend to tire of the same fare. As

a result, many a company restaurant or cafeteria that starts out as a great success soon becomes the subject of criticism and abuse, for no other reason than that the folks who eat in it day after day grow weary of the same food that they welcomed with delight a few weeks or months before. They need a change, and if no change is forthcoming, they will begin to drift away, if there is any place to drift to, and the cafeteria or lunch room will turn into a liability.

Variety in the menu, and the occasional element of surprise, are essential if the company restaurant is to continue as a popular place to eat.

Not even selling food at cost, or less, will take the place of variety or novelty.

Another practical point in managing a company cafeteria or lunch room is that "people want to eat what they want to eat," and they resent being forced or "suggested" into eating a certain kind of food just because it is wholesome.

"It is discouraging," remarked the personnel director of a Western department store. "After we plan good, wholesome meals for our girls, at prices they can easily afford to pay, many of them choose to eat a chocolate eclair, a dish of mashed potatoes, and a double-portion dish of ice cream, then finish off with ten cents' worth of candy! But we dare not tell them what we think about such a choice of food. They are going to have just what they want; and if they feel that the management does not approve, then they will go outside to eat. So we just smile and supply them with eclairs and ice cream and mashed potatoes and candy, knowing at least that they are getting good pastry and ice cream and candy and that they are getting them at a price that makes their pay last longer. To that extent we make them like to stay with us."

Starting with the Babies. Rogers, Peet & Co., the New

York clothiers, express their philosophy of building an organization in the graphic phrase: "We hire boys and raise men." The Fifth Avenue Coach Company, which operates the familiar green busses on Fifth Avenue, New York, carries this philosophy even further, in two respects. It starts, not merely with the boy, but with the baby; and it ties up the baby to its service work. The baby in question is every baby belonging to an employe of the company.

The officials of the Fifth Avenue Coach Company believe that every man who works for them is more interested in his baby (or babies) than in anything else in the world, and that the babies' health and well-being is, therefore, of great importance to the company. And so it goes after the babies. It has baby shows, and all sorts of things are done to help the parents raise their babies into husky boys and girls, some of whom they hope some day will be on the company's pay roll. In doing this they are winning the loyalty of their men by appealing (in a very practical way) to the human instinct for friendship and affection and love of family.

Off-Duty Health Work. And when we come to the baby we find ourselves following the worker away from the store or the office or the factory or the mill. We find ourselves facing the problems of bad living habits, poor food, bad water, insanitary houses, and even hereditary health problems. When it comes to these phases of health, we can safely interest ourselves as managers only so far as the worker is willing to have us do so, and not one bit farther.

* The worker sells you eight or ten or twelve hours a day; the rest belongs to him. If we can influence him in what he does with his off-duty time in such manner as to build health, well and good. But we must realize definitely that we can do it only with his consent, not thru any right which we exercise as his employer or superior executive.

The human nature underlying the difficulty in handling the health problem may be summed up in the sentence: We may lead man to the fountain of health, but we can't make him drink!

Some of the ways in which we can go about it to influence workers to use their own time in ways that maintain or improve their health (of mind and spirit as well as of body) will be taken up in Part III of this executive manual.

KEEPING THE ORGANIZATION FIT

Part III

PROFITABLE WORKING CONDITIONS

THE new manager of a garment factory employing a considerable number of women workers, made a careful study of working conditions in his factory and kept a close tab on the output of the rooms in which the women worked.

He first found that his workers did not work as fast as others doing similar work in other factories. The quantity of output was not quite up to the general standard in his line. He then found that absences for sickness among his workers were high. This, of course, would partly account for the lessened output. Moreover, the proportion of spoiled work was greater than it ought to be. He also noticed that the working morale of his employes was not high. They did not show as much enthusiasm for the work as he had seen in well-managed factories—not as much as necessary to get a satisfactory output.

The Cause of Low Output. With his mind focused on all those defects, this new manager walked thru the factory, seeking, if possible, to lay his finger on some fundamental cause of all the trouble. He soon saw that his workrooms were very poorly lighted. The building was an old one, with insufficient window space, and neighboring buildings cut off much of the daylight. The interior had not been repainted for a long time, and the walls were a dingy gray. Electric lights were liberally scattered about; but, on seating himself in turn in each of the chairs of several of the workers, he noticed that hardly a worker was free from the cross glare of neighboring lights. Upon inquiry he learned that most of the sicknesses that caused absences among the women were

headaches. These he attributed to eyestrain, caused by the glare of the lights.

One of the first acts of this new manager, therefore, was to bring about better lighting conditions. He had special glass put into the windows, which deflected the daylight and threw it far into the interior of the room. He had the interior walls newly painted in white, dull finish, which made the rooms notably brighter. Then he had the electric lights rearranged so that each worker, with plenty of light above her for her work, was freed from the glare of other lights.

Immediately the work showed improvement. The women worked faster; the absences were notably cut down; and the amount of spoiled work was greatly lessened. Furthermore, the morale of the workers improved. They appeared more alert, more ambitious to make good records, and happier. Thus—

Working conditions exert a powerful influence on the vitality of the worker, on his attitude toward his work, and on his output.

It is, therefore, essential to give considerable attention to this matter of working conditions. It was covered in divisions of this training service on production and on office organization and management. Here we shall briefly review some of the main factors in the problem, mindful of the fact that working conditions exert a substantial influence on the workers, and that, therefore, study and analysis of working conditions is a fruitful source of improvements which pay profits thru their effect on output.

The Effect of the Hours of Work. The time of the day or of the week during which men work, also the length of the working day, have an important effect on the worker.

Experience seems to show that workers do not do their best at night work, at Sunday work, or at overtime work. Night work is generally distasteful. It keeps the worker largely out of touch with the life about him. Moreover,

daytime sleep is not as recuperative in its effect as sleep at night. Sunday work is to be avoided where possible, especially if it commands an overtime rate of pay; the Sunday worker is prone to loaf on the job, since he is bound to think of the day as a day of rest. Overtime Sunday work often causes absences from work on the following day.

Overtime work, especially if allowed to become customary, has a bad effect all around. It is expensive to the management; it throws an extra strain on foremen and others of the management who have to oversee the overtime employment; and it disturbs the worker and may result in his slowing up his work on the following day or in staying off the job. Moreover, where employes get into the habit of expecting overtime, with its extra rate of pay, they may become slack in their regular work in order to make the overtime work necessary.

The executive should avoid subjecting his workers to irregular working hours and to overtime work. He should so plan the work of his organization, if possible, as to make irregular working hours unnecessary.

The Length of the Working Period. The working day was once a long one. Men as a rule toiled twelve hours a day in industry. Extensive experience since, however, has proved conclusively that, for the vast majority of occupations, a much shorter working day is preferable, since it keeps the men in better working tone, gives them more hours for recuperation, keeps them in better spirits, and accomplishes a greater net daily output in the long run. The standard working day at present in most industries is eight hours.

Experience has proved that, in the long run, workers accomplish as much work or more in a comparatively short working day as in a long day.

While the short working day has come to be generally approved, the question is yet unsettled whether it is best to make the working period strictly as short as possible,

or to lengthen it a little in order to provide for "rest periods" during the day.

It has been discovered that, so great is the monotony, or the strain, or the fatigue of certain kinds of labor, that the worker is likely, after a certain length of time at keeping up the working pace, to slow up on his work where that is possible. And where that is not possible, as where the worker must attend to a machine going at a fast and steady rate thruout the day, he is likely to become discontented and quit.

To overcome this feeling of strain and fatigue, the rest period has been introduced in many places, and with general success. In some occupations this period is as short as two minutes, and is repeated many times thru the day. In other cases the rest period is as much as fifteen minutes and more. The purpose of this period is to permit rest, relaxation, a change of posture, a change of thought, or a chance to rise from a stiffened position and get some exercise.

For heavy work, monotonous work, work involving nervous strain, and work calling for close application, rest periods scattered thru the working day have proved generally beneficial, enabling the worker momentarily to recuperate from his fatigue, and to perform his day's work without undue strain on his mind and body.

Lighting and Workmanship. We have seen that the lighting of the workroom exerts a powerful influence on the worker. As a rule, daylight is the best light for the worker, and this he should receive either directly thru windows or reflected from light walls. Many workrooms, however, are deficient in window space and are surrounded by neighboring buildings that shut off part of the daylight.

Artificial light for workers should be as near like daylight as possible; each worker should have enough light to enable him to do his work properly; and the lights

should be so arranged as to prevent their shining into workers' eyes, either directly or as reflections from polished surfaces. Such are the principal lighting considerations.

Temperature and Ventilation. The efficiency of workers is always cut down under extremes of temperature—when the workroom is too cold or too hot.

The winter problem is to keep the rooms up to a suitable temperature, not to allow them to get too warm, to see that these rooms are properly ventilated, to avoid drafty conditions, and to see to it that the air is as clean as possible, as by using apparatus for eliminating dust and fumes.

The summer problem is that of keeping the rooms cool with proper circulation of the air. Where there are not enough windows open to the sweep of outside air, electric fans are required to keep the air stirred up. During hot weather, fans materially add to the comfort and output of the worker.

Effect of the Work Itself on the Worker. The job itself, of course, has its effect on the worker. A dirty job is, of course, more distasteful than a clean one; therefore the cleaner the job is made, the more attractive it will become. Contrivances for drawing off dust and dirt and fumes, protective coverings for the hair, the hands, and the clothing, and any other means for enabling the worker to keep clean at the work are well worth considering.

Again, a job that causes mental or physical fatigue or strain is not attractive to the worker. Management should seek to discover what it is in such jobs that produces fatigue or strain, and should remove the cause where possible. Sometimes standing jobs can be made more attractive by providing seats for the workers. Sometimes heavy lifting and much walking can be eliminated thru the installation of mechanical carriers that

deliver the work to the worker at the level at which he works on it.

Management should seek, where possible, to remove from each job those elements that make it difficult or distasteful to the worker.

Providing Washrooms, Lockers, Drinking Fountains, Etc.

It is taken for granted that washroom and toilet facilities will be provided for the workers. Special attention should be given to the need of proper "cleaning up" facilities in the case of work that soils the worker's hands and clothing, necessitating his changing from street to shop clothes and back again at quitting time. It usually pays well to supply lavatories with hot and cold running water, rooms where the workers can change their clothes in comfort, and individual, ventilated lockers in which they can safely lock their belongings.

This matter and other details of service work have been covered in previous manuals. Every executive must remember that—

Careful thought given to the details of service work for employes can be made to pay dividends thru increased output per hour or day of labor.

Take the matter of supplying drinking water. It is believed that workers do not drink as much water as they ought during working hours. Cool, pure drinking water not only allays the thirst but also helps promote the bodily functions, and so furthers the worker's health and vigor. Therefore drinking fountains placed about the shop, store, or office so that one of them is in easy reach of each worker, help pay dividends.

People prefer to work in attractive and healthful surroundings; and the more attractive the working surroundings are, the more favorably impressed the worker is with the company and with his job; and the more favorably impressed he is, the better work he will do both as to quantity and quality.

That is the general principle underlying service work.

It is part of the problem of management's co-operation with the men, which paves the way for the men's co-operation with the management. CO-OPERATION is perhaps the biggest single word that expresses the effect desired in managing men. Executive Manual 69 will deal with the relatively new problem of having the men co-operate in management—to be taken up after using the following check-up on principles and handling Executive Problem 68.

CHECK-UP ON PRINCIPLES

Use the following check-up to get the principles of this manual firmly fixed in mind. This will help you to handle the problem which follows. This check-up is entirely for your own personal use, so you need not send it in to the University.

	Check	
	Yes	No
1. Does management owe it to the business to maintain service work among the employees?		
2. The founder of the Weston Manufacturing Company, a man of benevolent disposition, established a welfare department in his plant, and frequently called his workers' attention to the many free services he was rendering them. Was his attitude the right one?		
3. The proprietor of a shoe-shining parlor employs two assistants. Does he have a service-work problem?		
4. Notice on page 10 of this manual the kinds of service work maintained by one large company. Now think of a company with which you are well acquainted. Can you name six kinds of service work maintained by this concern?		
Can you name twelve kinds?		
5. Is it advisable for every concern to have its applicants undergo a physical examination?		
6. Can you name two kinds of work for which it is highly desirable to have applicants pass a physical examination?		
7. The superintendent of a certain factory, being asked to promote greater safety in his plant, equipped all dangerous machinery with mechanical safeguards, but did nothing else. Yet the number of accidents was reduced only 20 per cent. Can you name all the necessary steps he failed to take in the safety program?		
8. Many of the jobs in the Arcadia plant are monotonous and fatiguing. Most of the workers bring their lunches and eat them cold at noon. The rate of absences for sickness is high in this plant. Can you suggest two ways of lessening the absence rate?		

9. Call to mind several businesses with the working conditions of which you are or have been familiar. These may include shops, offices, stores, restaurants, school work, outdoor jobs.

In the blank space at the top of each column, write the name of a particular business, and then check where you believe the working conditions might be improved by:

Shortening the working day					
Establishing rest periods					
Improving the lighting conditions					
Improving the temperature and ventilation					
Making the work cleaner					
Reducing the fatigue and strain of the jobs					
Making the jobs safer					
Improving the washroom and locker facilities					
Improving the drinking-water supply					
Making the working surroundings more attractive					

Executive Problem 68

MAKE IT A GOOD PLACE TO WORK

Lessening the Fatigue of Office Workers

UNDER THE LASALLE PROBLEM METHOD



EXACTING work requires agreeable conditions as well as skillful workers. The manager who tries merely to "get work out of people," without providing an environment conducive to voluntary good work, is setting up handicaps that are doubly hard for him to overcome. Vigilance and close supervision are insufficient substitutes for poor working conditions. Getting skillful employees is only one step in accomplishing desired results. Winning their loyalty and holding it is another matter. The "how" of doing this is the subject of this problem.



Prepared by the Research and Consultation Staff of LaSalle Extension University from an interesting problem which it has carefully investigated and analyzed.

Executive Problem 68

MAKE IT A GOOD PLACE TO WORK

Managerial Problems Classified. The innumerable problems that the executive is called on to solve during his business career may be roughly grouped into a few major divisions or classes, as far as outstanding or controlling features are concerned.

In one class can be placed all those problems in which two or more courses of action are presented, the executive to decide which course is best. For example, he decides whether or not to buy certain equipment, or to make a certain change in the product, or to enter a certain new sales territory. Often he acts as judge, and determines which of several finished plans or services or appliances will be best for his concern. In facing such a problem he weighs the merits and demerits of the competing plans, and chooses the one having the greatest net weight of merits over demerits. It is a problem of choosing, rather than one of bettering a condition or of creating something new. In your Business Management training you have been confronted with several problems of this nature.

In a second class of problems the business man finds himself face to face with an undesirable condition in his business. Perhaps production costs are too high, or the quality of the goods is below par, or there is labor trouble, or the sales have fallen off, or the company's net working capital has shrunk. Here the executive's task lies in analyzing the situation, locating the causes of trouble, and so reshaping and redirecting the business as to get rid of the bad condition if possible. It is a problem of correcting or improving a condition that already exists. Analysis and reorganization are the main requisites in solving such a problem. In your course of training you have handled several problems of this class also.

A third class of problems calls for constructive business imagination. The business man creates something that has not existed before. He invents a mechanism or a new product, or lays out a factory, or founds a business, or devises a new selling plan, or writes an advertisement or a sales letter. In this course you have had the opportunity of working several problems of this class.

Complete Nature of Many Problems. You have learned from your experience with the problems presented in this training service that, as a matter of fact, many business problems contain features belonging to all three of the broad classes just enumerated. An undesirable condition may exist. Several alternative plans may be suggested to correct this condition. The working out of one of these plans may call for real constructive imagination. This was the case, you will remember, with the Duraflex Hose Company in Executive Problem 19.

The controlling features of Executive Problem 68, which is now before you, put it into the second of the classes we have just examined. It presents an undesirable condition that exists in a certain office. The problem consists of analyzing the condition, of locating the sources of trouble, and of rearranging matters so as to eliminate the causes and bring about a desirable condition that will make for real efficiency and profitable operation.

The Garrison Company's Business. The H. B. Garrison Company gives a service of consultation and help in industrial engineering matters to a number of manufacturers scattered thruout the country. Part of this service consists of typewritten letters, reports, and special plans prepared by experts in the Garrison office. To transcribe these letters and plans, a force of stenographers and typists is employed.

The business of this company has grown rapidly in the last two years. This rapid growth has been attended with the development of certain undesirable working conditions in the office. The company's office is situated on the second floor of a downtown building. In the street outside, and on a level with the windows, elevated trains are running almost continually. There is also constant noise from the surface traffic. The office is now overcrowded, and some of the typists are working in corners of the room where the light is rather poor.

Many of the letters and consultation reports are extremely technical, dealing with engineering subjects and employing many engineering words and terms. In consequence, a new girl finds this work appreciably harder than the average run of stenographic and typing work. And, since this company demands a high degree of accuracy in the typed matter it sends out, the new girl is under the double

burden of getting down strange words and phrases and of making no errors.

Study of the Office Conditions. The office manager in charge of this group of girls is Mr. Trent. He has insisted on speed and accuracy, and has repeatedly reproved the girls for falling short in these two regards. He has discharged some girls for being too slow, and others for being inaccurate. To hold their jobs, the girls are constantly striving to work fast and to avoid errors.

That working conditions in this office are not satisfactory is disclosed in several ways. There is a high labor turnover among the girls despite the fact that they are well paid. Many girls quit after working a few weeks or months only. These girls usually call the Garrison office a very hard place to work. Again, the absence record of the employed girls is unusually high. The office is very conveniently located as to transportation facilities, and the office hours are not long—8:30 to 12:00 and 1:00 to 5:00—yet girls frequently stay home for a half day or a day, in order to rest and get relief from the strain of their work.

Numerous Complaints from Employees. The girls repeatedly complain that the work is fatiguing. They frequently call attention to the fact that they develop backache toward the end of a day. They do not like the chairs in which they sit while typing. These are ordinary straight-back office chairs. Some girls say that they are too high for them, while others say they are too low. They all complain that the chairs afford no rest for the back while one is typing.

The stenographers and typists have likewise complained of eyestrain. One girl had a bad case of it, which compelled her to give up the work. This made an impression on the other girls, who thereupon dubbed the Garrison office as not only a hard place to work, but also one likely to injure the worker's eyes.

The girls also maintain that the work is nerve-racking at times, altho they are provided with excellent machines that are kept in good condition. During special rush work Mr. Trent has sometimes scolded girls publicly for their mistakes, and, in one or two instances, the girls have become hysterical. Such cases have tended to confirm the workers in their belief that the work is hard on the nerves.

The office lease will expire in about six months and the question arises as to whether the company shall renew it or seek other quarters. In this connection it should be noted that some three years ago a bad fire occurred on an upper floor of this building, and that the building was called a fire trap by certain newspapers.

Mr. Garrison, president of the company, wants the working conditions in this office carefully studied for the purpose of finding ways in which they may be improved.

BUSINESS MANAGEMENT

CO-OPERATING IN MAN- AGEMENT—Being Executive Man- ual 69, on Managing Men, in a Complete Plan of Training and Service for Execu- tive Work

*Investigated, organized, and presented by
the research, consultation, and editorial
staffs of LaSalle Extension University*

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the advice and co-operation of

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CO-OPERATING IN MANAGEMENT

Part I

GETTING INTO THE WORKER'S MIND

THE officers of a large public-service corporation heard mutterings of a strike from laborers who were digging trenches for extension of the company's gas mains. Ordinarily reasonable, these men seemed suddenly to have turned radical; they were talking among themselves of a seven-hour day.

"I think some agitator has seen his chance, with the men all working together to rush thru that Western Avenue extension," said the vice president.

"That may be true," said the president, "but what we here in the office think doesn't count. I'm going to know—from their own mouths."

"I've tried to talk the thing over with some of them several times," declared the vice president. "All they say is that they do not want to work longer than seven hours and they want the same money."

"But I'm going to find out why," said the president. "I'm going to *listen to* them myself. This is serious. We've got to be sure we know what's wrong."

Listening To and Feeling With the Men. Two days later, a new laborer reported to the boss on the Western Avenue "ditch" with a "ticket" from the employment department assigning him to work as a member of the labor gang. He had a two-day growth of beard; his hands were dirty and his nails black; his hair was uncombed; he wore a torn cap, a worn coat—in short, he looked the part.

Safe from recognition, the president was given a pick and put to work. He played his part well; he did not talk; he just picked and listened.

Along toward noon (he thought it must be about noon-time) with his hands full of blisters and his back and muscles so lame that he could hardly raise his pick, he pulled out his cheap nickel watch—and saw that it was just a quarter past nine!

About this time the men about him began to grunt and straighten up and rest a little more often, and he was glad to follow their example. They began to grumble to each other in a mixture of English and Italian. He joined in with an occasional grunted remark that was far from flattering to the job or the company—and his sore muscles caused him to feel surprisingly sincere in his grumblings.

But it was not until he sat on the curb at the noon hour, gnawing on a hunk of cold meat and breaking chunks off his half loaf of rye bread, that he began to get the information he wanted.

At first his fellow workers seemed to be a bit suspicious of him. But when they saw that he had brought his lunch in a newspaper and that he “chawed” off his cold meat and bread in approved fashion, they let down the bars; they talked, not to him, but to each other. He could not understand all they said, but he did gather two facts. The vice president had guessed one of these facts—there was an agitator among the men; but the other fact was new—the fact that there was some peculiar sort of half-soil, half-rock formation along this far end of Western Avenue, not hard enough to require blasting, but terrible stuff to pick. He learned that even these hardened laborers were absolutely lamed by it, that their muscles tortured them after three hours of it, and that by night they were almost crippled.

After the lunch hour, which seemed like a five-minute rest, the president gamely went back at the digging, almost ready to faint, but determined to stick it out. For the next four hours, he suffered terrible pains in his back and arms; he forgot all about listening to his trench

mates; he could understand how they felt. Every time his pick struck against that peculiarly rocklike soil, his muscles winced, and finally he just let himself go mentally and entertained any thoughts that came to him. His big impression was that when a fellow is working on a job like this, he doesn't think at all; he just feels.

Overcoming the Cause of the Trouble. The next morning a big gray touring car rolled out Western Avenue. In the back seat sat a well-dressed man, with muscles and back still so sore that he caught himself sharply whenever he moved. Pulling up beside the trench at the point where the boss of the gang was standing, he addressed the latter.

"Tony," he said, "and all you men—listen. I understand the digging out here on Western Avenue is awful. Like rock! Makes muscles sore"—and he winced honestly. "The men must not work so hard. Take more rests. Rest every half hour for five minutes. We don't want our men to be all lamed up. No good for you to get all crippled. Rest five minutes every half hour."

Tony grinned and spoke in Italian to the group around the car. They grinned and gesticulated and started jabbering among themselves like a group of pleased schoolboys.

The president then took Tony in the car with him and they went the whole length of the digging operation, talking here and there to all the groups of workmen. Nothing more was ever heard about a seven-hour day—and the digging progressed faster from that day on.

That was application of the principle which tells us that—

It pays for a manager of men to get into the workers' minds and to think and feel with them whenever he hears of or senses any dissatisfaction.

In other words, be sure that you understand the real cause of dissatisfaction, and then let this cause be your guide in remedying the trouble. That was always the

policy of the president of that corporation, and it is no wonder that he has the record of never having had a strike.

Profits Are Made in Workers' Minds. Just how important it is that a manager should know what is going on in the minds of his workers—whether he has the direction of only two or three men or has authority over a big department or a whole business—is well expressed by one practical manager as follows:

“The profits of every business are largely made or lost in the minds of its employees.”

This does not mean that profits are made only in the minds of the rank and file workers alone, or in the minds of the executives alone. But it means that, from the highest executive on down to the humblest helper, what goes on in the minds of the workers in a business is the most important cause of profits or of losses in operating that business. If any or all of these minds are “diseased” or negative toward their work or toward the company, profits are bound to suffer.

Someone has said that the basis of successful business is imagination about other people. When we narrow our study down to the problem of man management, we must revise this statement to read:

The basis of successful management is knowledge of what is going on in the minds and hearts of the people we employ to help us make profits.

The executive cannot know his people until he knows their minds. Furthermore, listening *to* a man, or talking *with* him, or looking *at* him will not always tell us what he *is*. We must know what is *in* or *on* his mind.

It is a fact recognized by salesmen that a stubborn prospect cannot be sold until his real reason for not buying has been uncovered. And it is also generally recognized that a stubborn prospect will nearly always try to avoid telling his real reason for not buying.

This same thing is often true of employes. What they

say does not always represent their true feelings; indeed, they may not even know themselves what is at the bottom of their own actions when their minds turn negative.

It was not that the public-service corporation's labor gang really wanted a seven-hour day (that was merely the idea of one agitator); it was that the digging on this particular street was so torturing that they needed rest to throw off the fatigue poison that was affecting not only their muscles but their minds.

Knowing the Emotions of Men. A man with a negative or diseased mind is a very undesirable man to have on any job. He may be forced to comply with instructions; he may be bullied into submission; his protests may be smothered; but the fire is smouldering underneath just the same. That fire cannot be put out until we know the instinctive cause of the feelings of the man.

We have already learned that people act, not on intellect, but largely according to their instincts; that instincts stir up emotions; and that emotions drive people to action. Therefore—

It is necessary for a manager to understand the emotions of his men; and, as one philosopher has put it, we can understand the thoughts and feelings (emotions) of others only in terms of our own thoughts and feelings.

The lathe hand who swears to himself sullenly as he works over his lathe because the foreman has treated him unjustly, or the vice president who bangs the door of his office and sits down and smokes and cusses the whole works because the president has vetoed a pet plan of his, is simply boiling over from emotional stress. Each has a lot of steam which he must blow off some way. It must come out, and he will take it out on someone, even if it has to be his family at home, before he will return to a normal emotional balance. A manager of men cannot be too careful to avoid, so far as possible and practical, arousing negative emotions. He must learn from his

own feelings the causes of emotional outbursts, as did the president of the company who played the part of a laborer for a day. He accurately interpreted the feelings of the men in terms of his own feelings.

Strikers Do Not Always Lay Down Their Tools. It is bottled-up emotion, flaring into a flame, that causes men to strike. To join a strike is almost never a decision of the intellect, but is nearly always an expression of emotional stress boiling up from within or injected from without by another person. That other person may be the man's wife, or a friend, or a professional agitator. It makes no difference; the result is the same.

The common conception of a strike is the action of a group of workers throwing down their tools and quitting their jobs. That is a strike, of course; but, in a broader sense, men may and do "strike" in spirit, without ever leaving their machines or their desks.

A bookkeeper may strike in spirit, yet remain at his desk and work over his figures all day long. A man's secretary may strike in spirit, yet continue to take dictation and transcribe letters. The six clerks in the glove section of a department store may strike in spirit, but go on selling gloves. The two hundred operatives in a mill may strike in spirit, and yet keep on at their looms.

People do not have to stop working to strike. The difference is that when a man strikes *in spirit* instead of *in fact*, he is still on the pay roll. He may spoil valuable materials or machinery; he may cause strife among his fellow workers; he may purposely make mistakes; he may work damage in a dozen different ways, and yet to all outward appearance still be steadily at work.

Many a one-man strike in spirit has eaten heavily into the profits of the business. This effect is multiplied when a group of workers strike in spirit. Sometimes whole departments in retail stores and whole rooms in mills and factories go on an emotional rampage. The

workers do not put on their hats and walk out, for if they did, they would probably lose their jobs, and would certainly lose some pay. Instead, they just sulk until something happens to relieve the stress of their emotions. Then things quiet down again. Such "strikes" may last only a few hours, or they may run on for days or weeks or months.

The best interests of a business demand that the members of the organization have good will and sincere loyalty toward that business. Disgruntled and disloyal members, even tho they continue to perform their work, endanger the success of the business.

One Way to Stop a "Spirit Strike." John N. Willys, the well-known automobile manufacturer, used an interesting method to break up a "spirit strike." When a storm was brewing in one department, he got the workers of that department together and deliberately proceeded to get them mad—fighting mad. He seemed to be angry himself—but was not. He was merely trying to raise the temperature enough to get the crowd to boil over.

And presently they did boil over, and he then found out what these men would not have told him if he had asked them when they were calmer; he found out what was actually "on their chests."

When everybody had blown off and the emotional stress was spent, he then calmed down himself and smiled and got them to talking things over calmly and sanely; and when the meeting broke up, all was serene. No man left with a feeling that he was entirely wrong or entirely right. What he did take away was an honest, balanced judgment and a clear picture of the situation. Each man was satisfied with the picture because he helped paint it himself. His contribution may have been the solid blacks or the vivid reds, or the delicate grays, but he saw them as his, and realized that after all, his strokes were not the whole picture, tho they did help in the painting.

The Time to Stop a Strike. Sometimes strikes of the spirit spend themselves before they do any real damage. But often they gather force and violence, and threaten to develop into actual strikes, with the workers laying down their tools and walking out in the case of groups of workers, or resigning in the case of an individual worker—for an angry resignation is a one-man “strike.”

The time to stop a strike is before it starts. Every possible effort should be made to nip an incipient strike in the bud.

What looks like 50-50 justice before a strike is actually called (or a resignation is actually handed in) may look to the striker like only 30-70 justice later on, with himself on the 30 end.

This does not mean that a rising strike temperature should be suppressed by authority, or that the individual worker should be summarily cowed or squelched or perhaps “fired.” It means that some means should be sought to let the strikers blow off or boil over harmlessly, either by the Willys method or by any other method that human ingenuity can devise.

Saving the Worker's “Face.” The big thing to remember in trying to forestall a threatened strike is, in everyday language, that the worker's face must be saved.

No strike movement will ever be quite satisfactorily conciliated unless the worker's self-respect has been saved to him. He may give in, but he must not be made to feel that he did all the giving in; or, if he did, he must be permitted to feel that he did the giving in, and not that he was forced to do it—for otherwise he will still be on strike in spirit.

On the other hand, the employer must also guard his self-respect, else the worker will have no respect for him, and he will lay himself open to future imposition.

Let us use simple diagrams to illustrate the wrong and the ideal method of reaching a strike settlement, as follows:

I. The Wrong Method

Employer starts at this point—0

Employee starts at this point—0

A. The employee wants the employer to come to *his* point, thus:

Employer ○



Employee ○

B. The employer wants the employee to come to *his* point, thus:

Employer ○



Employee ○

In either case above, one party must lose his self-respect. Ideally—to “save the face” of each party—the movement should be like this:

II. The Ideal Method

Employer ○ → → → →

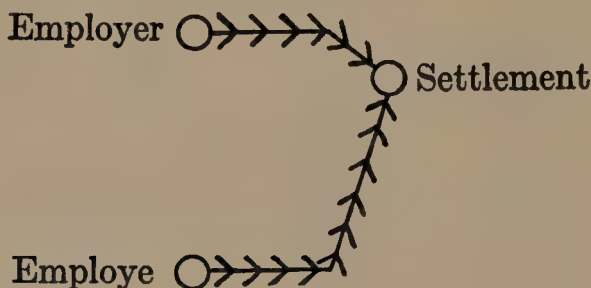


○ Settlement

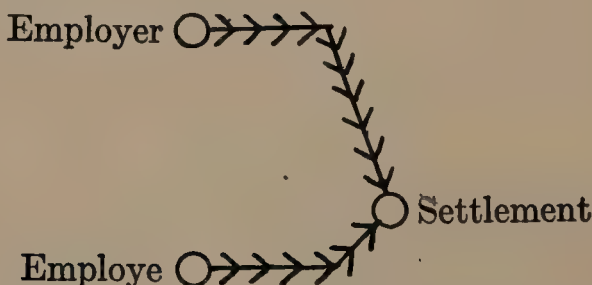
Employee ○ → → → →

In such a settlement, both parties start from their own viewpoint and travel in a somewhat parallel direction as far as their ideas parallel each other. Then, under wise leadership, they begin to draw together.

An ideal settlement is not always practicable. Sometimes the final settlement of a strike may be diagrammed like this:



Or like this:



But no strike was ever settled, *in spirit as well as in fact*, unless each party traveled far enough toward the point of the other party to "save the face" of that other party. It is application of the give-and-take principle mentioned early in our training service.

Fundamental Considerations in Handling a Strike. Admittedly, it is not always possible to stop a strike before it starts. There may be too much of a head of steam to prevent an explosion.

When a strike actually does start, it is important that the responsible executive steady himself with a few fundamental conceptions regarding the strained relation

between management and the men. These fundamental matters are:

1. A strike is really a sore that has festered. It should not be scratched or irritated. It should be given medical treatment, or, in extreme cases, surgical treatment.
2. The workers cannot be condemned for using what is sometimes the only weapon they have to defend their rights. The employer can generally discharge or lay off men when they do not work to suit him; the worker is merely following the same tactics and laying off or discharging his employer for not paying him suitably or for not arranging suitable working conditions or for not giving him the recognition he regards as his due.
3. A strike, like a fire, should be extinguished in the first few minutes if possible. The danger in letting a strike run is that some thoughtless word may give the strike great dignity and momentum. Indeed, the success of the professional labor agitator is in picking up some thoughtless word or deed and using it as a symbol to crystallize the cause of a strike, and so fill the front pages of the papers with it as to fill people's minds with it, in order to becloud the public's normal and rational thoughts and judgments.
4. In settling any strike that has started, as in forestalling a threatened strike, the settlement must, if it is to be lasting, "save the workers' faces."

A "Close-up" of Strike Conditions. Let us now get a "close-up" picture of some actual strike incidents, and see some of the sore spots under a microscope. Fragments from Whiting Williams' report on certain strikes will give us this picture:

"You take the best-trained and mildest mannered lion imaginable—the result of a lifetime's careful handling—and in five minutes of bad treatment which rubs him all the wrong way, you can drive him back into a wild beast—and, perhaps, keep him there for life!

"Well, you see, he was the leader of the union durin' the strike. A fair-minded man he was—and a decent strike it was, at the start. But finally the company orders every family out of all its houses—in eighteen hours everybody's gotta be out, y'understand. Well, his wife two days later had

a baby—when they was campin' out—an' died. He's been what ye might call a company fighter ever since.'

"That was the report of a famous radical given me there in the second mine town. . . .

"'No; I've never believed in the fairness of the worker or the unions since the time they went out on us after we had treated them the best we knew how for years,' was the way an employer told of his own hurt. 'And they all acknowledged that they had no complaint' . . .

"'Well, what can we do?' said the workers in very much the same situation in another city. 'If we don't go out with the boys where they haven't got the advantages we've got, they can't win. If we lose our jobs, we can still keep our friends and live in the town here, but if we refuse to help our buddies make their fight, then we can't go on living here—that is, without being called yellow. What's the answer?'"

When Two Rights Meet. The settlement of a strike would be comparatively simple if one side were all right and the other side all wrong, for then the right side, whether that of the employer or the employe, could win over the other side; however—

Strike issues, whether concerning actual strikes or strikes of the spirit, usually represent a conflict between two rights. Each side is likely to be right, and this must be considered.

It may be that a group of workers cannot buy enough food and clothing and shelter to keep themselves and their families from illness and suffering, on the wages they are getting; and their demand for higher wages is justified. But at the same time their employer may be working on a two-year contract, with the price and quality of their product definitely fixed; and to pay any higher wages would eat up all the profits, send the company to the wall, and put the whole force out of work.

The workers' position is that they must have more money in order to live; the company's position is that it cannot live if it does pay more money. Both sides are right. The workers doubt the company, and the company believes that the workers could live if they would

use their wages to buy more bread and fewer phonograph records.

What shall be done?

To let such a situation develop to the point where the workers lay down their tools would probably be fatal to both the workers and the company. The strike must be "nipped in the bud." But how?

Nipping a Strike in the Bud. The situation just described actually confronted the management of a Rhode Island company making a certain part for several large automobile companies. Practically the entire capacity output was sold for two years ahead on contracts that were made before an unexpected rise in material prices and wage levels set in. One wage increase was granted, but it soon developed that this increase was not sufficient to meet the increased cost of living.

Demands were made by the men. The management explained that it could not raise wages again; that the factory's capacity was contracted for at a low price for the next two years; and that either to break those contracts or to increase wages would break the company.

All was quiet for a few weeks, but presently the president began to hear strike talk. He spent several troubled days and sleepless nights trying to work out a solution. The strike must be headed off. A settlement would be impossible once the men had walked out. What could be done?

Suddenly, in the middle of the night, the president of this company said to himself:

"Why should I try to answer the question alone—why shouldn't the men in the factory help me? They, as a matter of fact, are the only ones who can handle this situation."

The next morning he arrived at his office with a definite plan of action and a list of twenty names of men who were either heads of departments or who, by virtue

of their skill or judgment or positions, were very closely related to profits; all were close to and influential with the rank and file of his workers. He invited these men to talk with him at 10 o'clock in the shipping room—not the director's room, for he wanted to meet them on their own ground.

"Men," he said, "we're all up against a big problem. You are not getting enough to live on decently. I know that, and it isn't right. The company isn't making a cent for its stockholders now; and if we pay any higher wages, we'll have to shut down the plant inside of two months.

"Here," he said, holding up a bunch of papers, "are the contracts on which we are working. I'm going to pass them around so that you men can see them. They are your contracts as well as mine, for they mean bread and butter to both of us. I want you to read them so that you will understand just how our hands are tied. To break these contracts would put the company out of business and all of us out of jobs.

"The fact is, you are right in asking for higher wages. Other factories are raising wages a second time. We also are right when we tell you that on our present costs we can't pay any more. It's a case of right meeting right. Now what's the answer?"

The president knew the answer, but he wanted them to tell him. And big Ed Langree, foreman of the winding department, did. "Looks to me," he drawled, "as if the only answer was to cut down our costs."

"How can we, when we've already cut them to the limit?" demanded the president. "For instance, we've already cut the winding operation from 17 cents to 14 $\frac{3}{4}$ cents."

"Well," replied Langree, "I'll bet a dollar 'gainst a doughnut hole that we could shade another cent off by gearing the machines just a bit higher."

"Mr. President," spoke up the finishing-room foreman, "how much would the costs have to be cut to save enough so's you could raise wages 10 per cent?"

That was the question the president wanted. He already knew the answer, but he picked up a sheet of wrapping paper and did some quick figuring. Then he said, "Our product now costs us \$1.87. If we could cut it down to \$1.68 we could raise wages 10 per cent—and we would, gladly."

Half a dozen men began to talk at once. Everybody seemed to know where a cent or two could be shaved off the cost, by speeding up machines, or changing methods, or altering operations, or economizing in some way.

"Well," said the president, "suppose you men spend the rest of the day, each in your own department, going over this problem with your men and report back here at 10 o'clock to-morrow morning."

"He's a regular guy," said one man as the president went away, and that seemed to be the consensus of opinion.

"Well, we got to get busy and cut costs down to one-sixty-eight," said the engineer.

"What do you mean, one-sixty-eight?" asked Ed Langree. "We got to cut 'em enough to give the company a little profit too, ain't we?"

"Sure we have," came from several others.

The next morning at 10 o'clock the president had to swallow a lump in his throat when the spokesman for the group—elected as such at a meeting that had lasted late into the night before—informed him that "the boys has worked it out so's we can have our 10 per cent increase and you can have about 2 per cent for profit, Mr. President."

That was some years ago, but there has never been even the hint of a strike in that plant since; for the president had discovered that when two rights meet, the only

way to find the answer is for both sides to look for it together. He had always known that costs could be cut more, but beyond a certain point he was powerless to force improvement of methods. Further progress had to come from the men's will to improve.

The Surest Way to Prevent Strikes. Management in every business can well afford always to bear in mind the important fact that—

Broadly speaking, the surest way to prevent strikes, whether of the spirit or of fact, is to pay honest wages, maintain good working conditions, treat men justly and with consideration, recognize efficient service, and show them that you are loyal to them.

The testimony of one of the most radical labor agitators in America bears this out: "Of course, where the men have right wages, hours, working conditions, treatment, and all that, and are happy, we ain't got a chance with 'em."

It all gets back to the Golden Rule. The surest way in the world to conquer people is to feel and see *with* them until you get into their minds, and then to treat them so much better and fairer than they expect that some of them at least will have a natural impulse to turn around and treat you better than you expect, as was the experience of the president of the Rhode Island company just recounted.

Troubles between men and management cannot always be cured, but they can at least be *understood*; and when understood, they can be mitigated to a very considerable extent in nearly all cases.

Understanding is not merely a *mental* process; often it is a *seeing* process and a *feeling* process. Therefore, if any executive would get into the minds of the men who work under him, he must train himself to see and feel with them as they see and feel.

CO-OPERATING IN MANAGEMENT

Part II

A VOICE IN THE MANAGEMENT

IN THE ideal industry each individual would become an owner, an operator and a manager, a master and a servant, a ruler and a subject. Thus, there would be established a system of true industrial democracy.

"In very many industries this has already taken place. Employes are encouraged to purchase stock in the corporation, and are provided with credit facilities for such purposes. This gives them ownership. They are encouraged to make suggestions for the better conduct of the business. They are requested to apply their inventive ability in the various mechanical operations. Thru trade-unions and shop committees they have a large share in the determination of wages and the conditions of labor. By the introduction of the sliding scale and piecework they share in the general prosperity of the concern. This gives them management.

"Thus industrial democracy is being gradually developed. No longer is it (industry) content with one small part of the individual; it seeks to enlist all his powers, to recognize all his rights as well as to require the performance of all his obligations."

The above paragraphs, quoted from a speech by Calvin Coolidge, sum up the essentials of modern practice in giving the men on the job a voice in the management of the business.

What the Men Really Want. Some business men became so enthusiastic about giving the men a voice in the management that they proceeded to develop all sorts of elaborate plans for employe representation in the management of their businesses. In some instances the result

was unfortunate; in others the enthusiasts realized their mistake before they had gone far, and modified their plans to a point of practicability.

"Our two big mistakes," admitted one of these early enthusiasts, "were:

"First, that we assumed that our workers would *want* a voice in the management; and, second, that we assumed that they would be willing to assume the responsibility that goes with this privilege.

"We soon learned, however, that men were perfectly willing to stand off and criticize the management, but that they were not so keen to take a hand in it. About all they actually wanted, we discovered, was a square deal, without any of the responsibility for working out that square deal.

"I have been asked many times, 'If that is the case, why not just give the worker a square deal and let it go at that? Why go to all the trouble you have to work out a plan to give your workers a voice in the management?'

"The answer to that question is:

"There are so many facts and circumstances and exigencies controlling management decision, most of them not visible from the outside and not easily explainable, that, unless the workers do share in the management, the 'deal' they get as workers does not always look 'square' to them."

"Whereas, when they, or their accredited representatives, sit in on the making of decisions, they have this background of facts and circumstances and exigencies against which to form their judgments and convince themselves of management's justice and honesty of purpose."

That statement of a man who has been "thru the mill" sets forth clearly both the essential difficulty and the basic practical advantage connected with giving the worker a voice in the management.

The difficulty can be overcome only by education and thru "selling" the idea of a voice in the management to the worker. This takes time and patience and faith and, most important of all, absolute honesty of purpose.

The basic practical advantage referred to above can be split up into a number of specific advantages, and these specific advantages are suggested by the list of fifteen purposes of employe representation enumerated by the American Management Association in one of its comprehensive bulletins. This list, which follows, gives a clear picture of the possibilities of this phase of man management.

PURPOSES OF EMPLOYE REPRESENTATION

1. To restore, at least in part, the closer contact between employes and employers which existed in the earlier days of industry.
2. To furnish a means by which employes can present grievances as they arise, before they assume serious proportions.
3. To give employes a voice in determining the conditions under which they shall work.
4. To afford a channel thru which disputes, which might otherwise cause serious industrial trouble, may be adjusted amicably.
5. To create such an atmosphere that trade disputes will never be carried to the breaking point.
6. To pool schemes and suggestions for the better conduct of industry.
7. To enable individuals to present grievances to those in a position to be best informed about the merits of their cases.
8. To enhance the importance of the human element in the operation of industry.
9. To make foremen less objectionable as taskmasters who owe their preferment to their success in getting as much as they can out of the men at the least expense to the company.
10. To give employers and employes a better mutual understanding.

11. To avoid discontinuance of production and to maintain maximum production necessary to mutual interest.
12. To provide regular facilities for access by employes' representatives to the management and for consultation by the management with the representatives.
13. To give the employes an opportunity to discuss the conditions under which they operate and a means of adjustment thru chosen representatives.
14. To enable employes to increase their earnings by increasing their knowledge of industrial processes and their interest in the work in which they are engaged.
15. To further the common interests of the employes and management in all matters pertaining to plant organization, efficiency and general working conditions.

How Far Should the Worker's Voice Go? While it is doubtful if the typical worker (whether he wears a white collar or overalls) really *wants* to assume the responsibilities of management, nevertheless—

There is among workers a definite and growing feeling of resentment against any employer who treats his workers as mere machines, to be used as and when and where he pleases, without giving them any opportunity to express their desires and aspirations.

It is for this reason that a business executive should have an understanding of the underlying philosophy of employe representation and a pretty definite idea of how to go about giving the worker a voice in the management.

The first question to be settled is, "How far should the worker's voice go?" In other words, in what problems and phases of management should the worker be allowed a voice?

A few business leaders contend that the worker should have a voice in *all* matters of policy concerning the management of a business. One Detroit company has carried this idea to the point where workers have actually been placed in majority control on the board of directors. It has been pointed out, however, that a plan of this sort is in fact merely substituting one kind of management for another. The new management—the worker-con-

trolled board of directors—still has the problem of relations between itself and other workers.

Some business leaders deny that the worker has a right to any voice at all, but reluctantly concede a very limited voice in the management, either to stave off what they regard as a worse evil—the organization of their workers by outside labor leaders—or to grant what they believe is expected of them.

Between these two extremes is a large group of business men who believe that—

Workers should have a voice in formulating the policies that affect their interests directly; and that voice should extend to the point where the workers, by virtue of their relation to the business or the problems, have an opportunity to influence materially the carrying out of the management policies they help to formulate.

In other words, the workers should be actual participants, not merely advisers, in developing such policies of management.

Suggested Scope of Employee Representation. The following seven management problems, suggested by Ordway Tead, might be adopted as representing the principal considerations suitable for co-operative action between management and employes:

1. Accidents and safety-first work.
2. Sanitation and upkeep.
3. Elimination of waste.
4. Grievances and discharges.
5. Co-operative enterprises.
 - (a) Buying.
 - (b) Beneficent associations, etc.
6. Standards of work.
 - (a) Amount.
 - (b) Time.
7. Standards of pay.

Observe that these problems all come within the limits of the middle-ground conception of employee representa-

tion as previously defined. They affect the workers' interests *directly*. The workers, by virtue of their relation to the business or the problems, have an opportunity to influence materially the carrying out of management policies relating to them.

The workers can, in short, *participate* as well as *advise*. They are in a position to *do* something as well as *say* something about these problems.

Types of Employee Representation. There are three distinct types of employee representation functioning for the purpose of giving workers a voice in the management.

First, and perhaps most elaborate in its machinery and most formal in its functioning, is the so-called "Federal plan," patterned after the United States Government, with a senate (generally formed of foremen or department heads), a house of representatives (composed of delegates from the working force, the representation being apportioned among the various departments or crafts), and a cabinet consisting of the executive officers of the business, with the president of the company at its head. The "senate" passes on measures adopted by the "house of representatives" and reports to the "cabinet." In all cases the vote of the president or board of directors is final.

Some business leaders contend that an executive of sufficiently high caliber to run such an industrial democracy successfully could run the business just as successfully without such elaborate machinery.

The second type of employee representation takes the form of a council, or of a works or shop committee, or of a conference or an assembly, formed of delegates elected by the workers to represent them. These groups act jointly with the management in working out policies pertaining to specific phases or problems of management as agreed upon between management and the men. This is the most prevalent type of representation.

The third type is a self-governing association of employes which is given a direct voice in the management of the company by being permitted to elect one or more of its representatives to the board of directors. Procter & Gamble, soap manufacturers, and William Filene Sons Company, large department store in Boston, furnish examples of this type.

There are, of course, many variations and combinations of these three types of representation. Just as a suit of clothes must be made to fit a man, so a plan of employe representation must be made to fit the business and the employes who are to use it. There is no one best method; it is for the responsible executive to fashion his own method, in co-operation with his workers, basing it on one of these three types of representation and altering it to fit.

How Much Authority Should the Worker Have? The amount of power or authority to be given any group of workers who are to be permitted a voice in the management is a question that every executive must decide for himself.

Some employers permit their workers advisory powers or functions only. They may talk over mutual interests, air minor grievances, and make suggestions. Such participation amounts to little more than a "talkfest," tho it is generally considered worth while because it develops a feeling of mutuality and helps to do away with suspicions and petty irritations.

Others permit the workers greater latitude, giving them authority to *decide* certain kinds of questions, but with the reservation that their decisions must be approved by the management before they can have any force or binding power.

Still a third group of employers deliberately turn over to their worker organizations the power to make final decisions within certain agreed-upon phases of manage-

ment, and even authority to override a veto of their decisions.

Just as there is no "best" type of organization, so is it impossible to say that any one of the three measures of authority just described is to be commended above the others. It depends upon the business or industry; the degree of interest, education, and general intelligence of the workers; and the faith and caliber of the management.

Jumping the Foreman Barrier. You will recall that the first of the fifteen purposes of employe representation given a few pages back was, "To restore, at least in part, the closer contact between employes and employers which existed in the earlier days of industry."

If not the most important purpose, it is at least one of the most important. As W. R. Basset points out, workman representation gives the men an opportunity to climb over the barrier between themselves and the management—and so to get their ideas, needs, and viewpoints to the owners with no danger of being stopped by petty foremen.

Given assurance that they can speak freely without jeopardizing their interests, men will offer many suggestions that improve production, reduce costs, and develop an organization. The trouble has been in the past that their suggestions have often not been welcomed by the foremen, and the only way the workmen could get the ear of the management was thru the foremen.

Foremen or department heads cannot be eliminated. Direct supervision is needed, and foremen or department heads must give it. They must also be teachers and sometimes disciplinarians; but they should never be barriers.

Getting Employe Representation under Way. Once it is decided to give employes a voice in the management, whether the decision has been voluntary or forced, how shall we get under way?

Shall we plan an elaborate organization, have charts and diagrams made and by-laws drawn up?

That way of starting is dangerous. In the first place, it is likely to cause suspicion; the workers are likely to think that the management is trying to tie them up in some way, or to ward off their identifying themselves with outside unions. In the second place, the plan comes from above. It ignores a fact that is generally true of all employe relations—that—

Employe activities should grow from the bottom up instead of being handed down from the top, so that the employes shall have the feeling that they have built, or helped materially in building, the machinery.

That principle should be applied in getting a plan of employe representation under way.

Of course, a well-conceived plan for employe representation, worked out in detail, charted and diagrammed, and written up into a constitution and by-laws, can be successfully introduced into a business. There are instances where this has been done. But this method is full of danger and can succeed only under the leadership of an executive or a group of executives of large experience and of rare sagacity. Even then, nearly always, these executives will insist upon having the workers consider with them from the very start what sort of a plan shall be worked out, so that they (the workers) will have a creative interest in the plan.

On this point the testimony of Cyrus McCormick, Jr., of the International Harvester Company, which company operates what is probably one of the most successful employe-representation plans yet devised, is both interesting and significant. Mr. McCormick said:

“So pleased are we with the operation of our plan that the only thing I can say about it is that if we had to do it all over again—and I advise those who follow to take this lesson from us—we would not devise a plan and then ask a workman if he desired to accept, but we would

begin by asking him if he wanted a plan of industrial democracy, and if he replied affirmatively, we would ask him to come in and help devise a plan with us."

Remember always that all stable government rests on the consent of the governed, and it is much easier to get a man's consent if he helps in building the government.

The most practical and the safest procedure is to start with some small problem, inviting a single committee of the workers to confer with the management. If the conference works out satisfactorily, other problems can be taken up, and the committee's power can be gradually increased and its scope broadened until it outgrows itself and other committees suggest themselves.

Starting with a Definite Problem. Some of the best employe-representation plans in America have grown from small beginnings. The now famous Filene Co-operation Association, which practically dictates the policies of the Filene Store in Boston so far as the employes' interests are concerned, did not spring into being overnight as a fully matured plan of employe representation in the management. But that plan grew out of a dispute between the management and a girl cashier. There was a shortage in her cash for which she claimed she was not responsible, and for which the management held she was responsible. The girl insisted that any fair-minded outsider would back her up in her claim, and the store manager, wishing to show her every possible consideration, decided to call in an outsider as an umpire. The umpire sustained the cashier, and out of the incident grew, over a period of years, the whole Filene plan.

Says one authority on this point: "It is not necessary, and it is not advisable, unless a company is face to face with an emergency such as a strike, to do more than cut corners at the very start; and then gradually a system which exactly fits that business will develop in good time."

How Shall the Voice Be Heard? It is generally necessary to arrange to have the workers select or elect from among themselves one or several persons to speak and deal for them—to represent them in dealing with the management, to be their “voice.”

In selecting employe representatives, the employe elections must be kept free from management interference.

To try, by suggestion or the exercise of control of any kind, to influence the elections is not only unethical, but it is almost sure to arouse the suspicion, and even the resentment, of the workers. None but employes should nominate candidates, vote, or even address the meetings. It is their *election*, and they should be permitted to run it, voting by secret ballot, with every man on an equality with every other man.

On the other hand, management has a perfect right to demand that elections be fair; that every employe, regardless of whether he is affiliated with an outside union or not, be given an opportunity to vote; that there be no lobbying at or near the polls; and that none but actual employes be permitted to vote.

The Loud Voices Talk Themselves Out. The reason some managers find it hard to keep their hands off employe elections is that they fear that the workers will elect loud-mouthed, radical-minded men (or women) to represent them. And, as a matter of fact, they frequently do.

The personnel director of a large Ohio industrial organization who has had many years of experience in dealing with employe-representation organizations, states that it has been his observation that the workers nearly always elect, at first, the loudest talkers and the most aggressive fighters from among their number. He also says:

“No employer should permit himself to become discouraged at this, however. It is perfectly natural; the loud voice rises above the combined expression of the calmer voices, and the aggressive fighter goes after the

votes of his fellows. But it has been my experience that one of two things nearly always happens before very many months have passed: either the workers get tired of hearing the loud voice of their own representative, and replace him (or her) with a more intelligent representative at the next opportunity to vote; or the sobering experience of sitting on a board of management tones down the voice and turns the aggressiveness into positive channels."

Such considerations argue the advantage of starting any employe-representation plan in a small way, taking one step at a time. As a rule neither the worker nor the employer is ready to go the whole distance at first, for the reason that the worker is not educated up to expressing himself in management, and management lacks full confidence in the ability of the worker to consider matters intelligently and in a broad spirit.

Any plan of employe representation is safer if it is built up one step at a time, on a foundation of mutual confidence.

Mutual confidence can be established only a little at a time as experience justifies it.

Do the Unions Approve Employe Representation? Organized labor does not look with favor on employe representation in the management. The unions are opposed because they want to do the speaking and bargaining for the worker with management. Furthermore, they are organized by crafts or trades, whereas employe representation generally embraces all the employes of a business, regardless of trade or craft lines.

Some firms have found it very difficult to introduce employe participation in management, because the employes have been suspicious that the plan was aimed to thwart any attempt at unionization. The only way this suspicion can be overcome is to let it be known frankly, as did the Pennsylvania Railroad, that any employe who joined its plan of employment representation could be

union or nonunion, that even if the men elected by the workers to represent them in management conferences were officials of the union, it would make no difference. The employes could elect any man they wanted to represent them, so long as he was an employe of the Pennsylvania Railroad.

Management Must Be Sincere. While the attitude and capacity of the worker are important to the success of any employe-representation plan, the ultimate responsibility rests upon the management. Upon its sincerity of purpose, its attitude, its honesty of operation rests largely the success or failure of the plan. Almost any good plan will work if the management succeeds in convincing the workers of its sincerity. One authority says:

“The real end to be achieved is to breed in the minds of the workers, as well as in their elected representatives, a feeling of complete confidence in the intention of the management to be just.”

This brings us back to the point that the main interest of the average worker is a “square deal,” and that unless he has some voice in the management he is not likely to feel sure that the “deal” he is getting is “square.”

Often, of course, more tangible results than that of convincing the worker that he is being treated fairly come out of a successful employe-representation plan. A well-known industrial engineer tells of the experience of one company whose workers became so much interested after they had been given a voice in the management of the company that they redesigned nearly every machine in the factory, “with astounding results in the way of production quality, and lowering of sales price, with an increase of wages to the men and of profits to the company.” He tells also of another factory where, within less than a year from the time the workers were given a voice in the management, they had devised more improved machinery than had been known in that industry within a score of years.

But such results are by-products of employe representation, and they cannot be definitely counted on in advance. Properly applied, however, employe representation in the management naturally promotes the growth of ownership interest in the business on the part of the employes.

The Machinery Must Be Kept Running. Granting the willingness of workers to co-operate in management, or the ability of the management to bring them to a co-operative frame of mind, and given the successful inauguration of an employe-representation plan, there yet remains the important fact that constant use is the only lubricant that will keep the machinery running smoothly.

Plans, problems, questions of policy must be raised constantly and submitted for consideration if the workers' interest in their voice in the management is to be sustained.

And the more constantly it is used, the more valuable it will become in keeping the business functioning smoothly and in developing that cordial relation between management and men that makes for better accomplishment on the job and helps the employer to express the cause of his business thru his workers.

CO-OPERATING IN MANAGEMENT

Part III

COLLECTIVE BARGAINING

WHEN an employer and his employes take up the problem of wages or hours or working conditions thru some one of the forms of employe representation, and a bargain is agreed upon, it is a form of collective bargaining, in that the bargain is made, not between the employer and his employes as individuals, but is entered into by the employes collectively.

That, however, would not be collective bargaining in the technical sense of the term. As used by labor leaders, and as herein employed, the term collective bargaining means an agreement between an employer and an organization of workers which includes workers other than those in his employ, usually some trade or labor union representing a particular trade or craft, which bargains for its members with their employer, and generally upon its initiative rather than the employer's. Thus consideration of collective bargaining leads directly to the problem of dealing with organized labor.

Unprejudiced Consideration. Whether or not he ever shall have occasion to formulate a policy in dealing with organized labor, every executive should have a background of *understanding* against which to establish the right attitude toward collective bargaining.

Probably no problem in man management is given as little impersonal and unprejudiced consideration as is this problem of dealing with organized labor. It has, undoubtedly, given rise to more bitterness between employers and employes than any other single problem.

Let us stand off and look at the relations between the

employer and organized labor as disinterested spectators, without business prejudice or personal bias.

What do we see?

First, that where there is any conflict between the two parties it is a conflict, not so much between management and men, as between human nature and human nature—the human nature of men in management positions and the human nature of men in the workers' position.

Second, that collective bargaining is a persistent trend of the times. As such, it must fill a fundamental need of the human beings who make up industry, else it would die out rather than grow and develop.

Third, that, broadly, its success or failure must be measured by its benefits to society at large, or its failure in serving society at large, rather than by the yardstick of management's or labor's selfish interest.

Collective Bargaining as a Problem in Human Nature.

Where there is a conflict between management and men, it is generally a conflict in human nature; that is to say, it is human nature to want to hold the upper hand.

As long as the men who constitute management hold the upper hand over labor they are satisfied. But unless that upper hand is used with the utmost consideration and fairness, labor is not satisfied.

As stated by a well-known labor leader, "Labor does not accept the theory that employers have a pre-emptory right to business, and that workers are an inferior, subordinate class, placed on earth by Divine creation to earn their salvation only by the sweat of toil."

On the other hand, when labor thru organization gains the upper hand, it is satisfied. But management is not satisfied.

Furthermore, when management has the upper hand—as it had for so many years—it was human nature for it to run affairs with a rather "high hand."

What more natural, then, than for labor to follow the same tactics whenever it gains the upper hand? The instinct for retaliation is fundamental in human nature. We see it in politics and in international relations, as well as in the desire of a boy to "get even" with one of his schoolmates who has wronged him.

The blunt fact is that—

Whichever side holds the balance of power is likely to use that balance of power just as the other side would use it if it had it.

And this again is human nature.

And so we see the whole matter broadly as a problem in human nature, rather than a mechanical or technical problem in management.

Collective Bargaining Is a Trend of the Times. In the days when businesses were small and employers knew their men personally, nearly all the bargaining on wages was with individual workers. As large businesses developed and those responsible for policies became further removed from the man on the job, the worker gradually lost his individual power to bargain with his employer in the matter of wages and working conditions.

It was mainly this loss of the advantage of direct bargaining which led to the organization of labor unions and associations. In those industries where management was unprogressive and unresponsive to the needs of the individual, and was inclined to treat workers as "wage slaves," the professional labor leader made rapid headway in his task of organization, as he did also among certain classes of uneducated workers. In industries or businesses that were managed by men who saw the mutual dependence of management and men, and who paid self-respecting wages, maintained good working conditions, established reasonable working hours, and in general followed an enlightened golden-rule policy, the labor organizer made slow progress, if any.

No matter how one may view organized labor, there is no questioning the fact that without its influence labor as a class would have fared badly during the transition from the old days of individual bargaining to the present day of complex industrial organization and more or less impersonal management. That was a period during which many business men, kept close to their businesses as they were, hardly realized that relations between management and men were changing, and that they were losing their close personal contact with their men.

The leaders of organized labor, looking at business and industry from the outside, did realize what was happening; and it was their fighting spirit—ruthless at times, just as employers had been ruthless at times—that saved the self-respect of the individual workers in many industries, and at the same time abolished evil practices that had obtained in some industries for years.

The Need for Collective Bargaining. In a word, the individual worker needed a champion to watch his interests and to fight for his rights in a more effective way than he could do it alone, and that champion had to be bigger than the particular firm or company for which he worked. It was only by raising wages or improving standards in an industry or craft as a whole that progress could be made. Competition forced each business in a line to pay no more wages than others in that line paid. A hat manufacturer might be willing, even anxious, to increase the wages of his workers or to reduce hours or improve working conditions; but, if he did it alone, he would at once suffer in competition with hat manufacturers who were operating under the old scale of wages or under the old hours or conditions.

No committee of employes, no matter how strongly organized, could wield quite the broad power that an organization of the workers of an entire industry or craft could wield.

Naturally, employers resented this outside interference. Their workers were "satisfied," they said, until those "outsiders" came around and stirred them up. But they failed to see that the same was true of themselves: that they were "satisfied" with the business they were doing, in their own small way, until some "outsider" in the form of an advertising agency, perhaps, or a sales agency, or a firm of industrial engineers, came along and showed them how much more business they could be doing and how much more profit they could be making if they would go after a broader market, or introduce more modern machinery and methods, or inaugurate a more aggressive sales plan.

**Progress is, as a matter of fact, always unsettling;
and the urge to progress nearly always comes from
"outside."**

Naturally, also, employers resented the organized strike, because it seriously inconvenienced them. But they failed to take into consideration that if they could shut down their plants and lay off workers on short notice at times, their workers had a right to "lay off" their employers when they were receiving such small wages, or working under such disadvantageous conditions that life was hardly worth living.

The Cause of the Trend toward Collective Bargaining. If, in the early days of organized labor, strikes were called frequently without proper provocation, and unreasonable demands were made, it may be said also that in the days that went before, employers as a class laid off their men without proper consideration, and denied them reasonable requests. They were, therefore, merely reaping what they had sown.

One authority points out that employers themselves—by setting up standard wages, standard hours of labor, and uniform regulations as to work—established collective bargaining while still pretending that they were dealing individually.

We see, then, that with the growth of business it was inevitable that the old method of establishing individual wages and working conditions should give way gradually to establishing standard wages and conditions which could be offered as a collective bargain by the employer; and with his individual bargaining advantage gone, it was inevitable that the worker should combine with his fellows to bargain collectively. And, finding themselves at the mercy of social forces, such as competition within an industry, and being themselves uneducated in economics, and lacking the necessary breadth of experience, it was inevitable that the workers in some industries or crafts should place their bargaining power in the hands of skilled labor leaders who could bargain more advantageously for them than they could for themselves; and, if need be, could bargain with the whole industry or craft at one time.

Thus we find that collective bargaining was, and is at present, a trend both on the employer's side and on the employe's.

The employer was actually the first to turn "collective," if the term is permissible.

What Is the Future of the Trend? The speed or progress of the trend toward collective bargaining will depend, not so much upon union leaders or upon the workers, as upon the sagacity of employers and managers and the spirit in which they deal with their workers, influenced to a certain extent by the past history of the business or industry which they represent. Neither wisdom nor the Golden Rule can be slipped on like a new cloak to cover past sins. No man could dominate another man for fifteen or twenty years and then, when that other man finally gained the upper hand, expect him to be impressed by protestations of good will, or interested in the suggestion that they sit down amicably and settle any differences they may have in a golden-rule spirit. That

is not the way human nature works. The law of retaliation interferes.

The executive, then, should recognize that—

The future of collective bargaining lies more in the hands of management than in those of labor leaders.

Collective Bargaining Is a Social Problem. Industry has become so highly organized, and so definitely geared to the needs of the public, that in certain lines the relations between the employer and his workers are of public concern. Thus collective bargaining has developed into a broad social problem.

The coal miners' strike which lasted all thru the summer and fall of 1922 is an illustration of this. Such strikes, entailing hardship on the whole public as this one did, throw the institution of collective bargaining into strong relief and afford an opportunity for measuring its usefulness, or its failure, to serve the public or society at large.

Admittedly, this strike lost very much more than it gained for the public at large because of the suffering it entailed and the greatly increased cost of coal to the consumer. It lost so much, in fact, that it set in motion the force of public opinion, which acts to control the social machine much as governors act to control a steam engine; and this force of public opinion may be counted upon to prevent the repetition of so disastrous a strike. In other words—

The social need of the general public exercises a sort of check on collective bargaining that tends to prevent repetition of its abuse on any scale large enough to threaten the safety, health, or well-being of society at large.

Reacting to the Law of Retaliation. It is not the intention here to try to make a case either for or against collective bargaining, but rather to establish an unbiased background of understanding against which sound judgments may be formed.

Admittedly, organized labor has been and still is grossly unfair at times. Admittedly individual employers who have treated their men in a golden-rule spirit have been sacrificed, along with others who have not been so fair in their dealings with their workers, on the altar of organized labor's progress. Admittedly, the walking delegate is an enemy to industrial peace. In short, there is plenty of cause for the terrible bitterness that many employers and managers feel toward organized labor.

But, having admitted all this, we must admit also that, broadly considered, it is merely human nature reacting to the law of retaliation.

The Advantages of Collective Bargaining. Let us now briefly enumerate the practical advantages of collective bargaining, and later on, the disadvantages.

Collective bargaining permits an employer to negotiate one agreement covering all his workers, or at least all in particular crafts, at one time. It does away with the details and bickerings attendant upon negotiating a great many separate agreements, and the possibility of constant demands as to wages, hours, and working conditions.

This agreement generally fixes wages or working conditions, or both, for a given length of time, thus permitting the employer to plan ahead on the basis of a definitely known labor cost for that period of time. Thus collective bargaining often serves to stabilize an industry and protect it from the cut-throat competition of a few unscrupulous manufacturers. (The clothing industry, for example, suffered seriously from cut-throat competition during the sweatshop period before the needle-craft unions virtually put an end to it.)

Collective bargaining puts all employers on an equal footing so far as wages, hours, and working conditions are concerned.

Continuous and efficient operation and a spirit of

friendliness and loyalty are dependent upon a day-to-day understanding between management and men. The collective agreement provides an opportunity to set up a responsible medium for prompt consideration of complaints, grievances, and differences, and gives that medium the necessary authority and impartiality to command the confidence and respect of both the individual worker and the employer.

Collective bargaining results in terms of employment that represent, not merely what an employer thinks is fair and just, but what the workers' recognized spokesmen, officers of their national organization, have agreed to as being the most desirable terms attainable; and, to that extent at least, fair and reasonable.

The fact that the responsibility for the carrying out of the terms of the agreement is in the hands of a national organization—with its prestige and power dependent upon its ability to hold its members to the agreements it signs for them—makes for the sanctity of the agreement. Altho the calling of sympathetic strikes in years past has acted frequently to offset this advantage, of late years this practice has diminished greatly. Organized labor has come to realize that sympathetic strikes cost it too much in loss of public support. The four powerful railroad brotherhoods refused to strike in sympathy with the shopmen; but the members of the brotherhoods on certain roads would have struck in spite of their agreements had they not been restrained by their national officers, who realized that their power and prestige were at stake.

Finally, there is a growing conviction among forward-looking business and industrial leaders that a really satisfactory bargain with labor can be made only if the bargaining status of the management and the men is equal. The skill of the professional bargainers (union officials) and the treasury of the union offset, in a measure, the superior education of management and the finan-

cial strength of employers. This idea of the equalization of bargaining power seems to be in line with the broad sweep of business thought and practice, tho it will probably be many years before it will be acknowledged generally by employers.

But the main point here is to understand that—

Collective bargaining affords many advantages, to employers as well as to employes.

The Disadvantages of Collective Bargaining. There are also some practical disadvantages and shortcomings of collective bargaining.

The interest of the labor organization, and too often the interest of its members, has been less in company affairs than in the rewards for their labors. This blindly selfish spirit in bargaining has often stood in the way of broad justice to business or industry, and to the public that is served by the business or industry.

There is no positive guaranty that labor will not violate its side of a collective agreement, as by calling a strike in sympathy with the workers in other plants in the locality or with workers in other crafts in the same business. This has been done repeatedly in the past, when the workers who struck had no grievance of any kind themselves. The sympathetic strike, however, is growing less popular every year.

There is no legal power to hold organized labor to a collective agreement. To quote the supreme court of Kentucky: "It (the labor union) does not, and cannot bind its members to service for a definite or any period of time, or even to accept the wages and regulations which it may have induced an employer to adopt in the conduct of his business. * * * The so-called 'contract' which a trade-union makes with the employer or an employers' association is merely a gentleman's agreement, a mutual understanding, not enforceable against anybody."

The only force, then, that gives strength to the collective bargain is the force of public opinion; and this is not always sufficient to hold organized labor to its agreements.

Another disadvantage is the fact that organized labor makes it difficult to discharge the inefficient, and almost equally difficult adequately to reward those workers who are particularly efficient.

Organized labor endeavors to dictate who shall and who shall not work in a given industry by its demand for the "closed shop."

Organized labor sometimes stands in the way of the best interests of a business or a craft, or an entire industry, by restricting the use of improved labor-saving machinery or methods, or by arbitrarily limiting production, or by limiting the number of apprentices who shall be permitted to learn the trade.

Finally, organized labor has in the past, and still does to some extent, cause strife and the interruption of work by disputes of a jurisdictional nature within its own ranks; disputes which the employer is absolutely helpless to control or adjust, but which result in suspension of work and a great deal of ill feeling. Thus—

In collective bargaining, and in the conditions of organized labor that go with it, there are many disadvantages, to the employers and ultimately to the men.

If, as some industrial leaders insist, unions are here to stay and are growing more powerful from year to year, it behooves the business executive to face these disadvantages and shortcomings, and to study how to work *with* organized labor to help build up the positive qualities of the collective bargain and gradually to eliminate the negative qualities—in a word, to make organized labor an aid to, rather than an antagonist of, the employer.

The check-up on principles and Executive Problem 69, which follow, will serve to develop your ability to gain

practical co-operation of the men with management. This ability is now recognized as exceedingly important equipment for outstanding success in executive work. It underlies and goes hand in hand with real ability to supervise and discipline workers—and this problem of supervision and discipline will be taken up, in a practical way, in the next executive manual.

CHECK-UP ON PRINCIPLES

Use the following check-up to get the principles of this manual firmly fixed in mind. This will help you to handle the problem which follows. This check-up is entirely for your own personal use, so you need not send it in to the University.

	Check	
	Yes	No
1. George Moss and Dennis Bryan had started a small business for the manufacture and sale of leather and paper novelties. Their sales had grown fast during the first three years, and they now had a sizable pay roll. Moss came back one day from a call on one of their large customers and sent for the workroom foreman. “Joe,” he said, “we’ve been falling down on our deliveries to the Skelton people, and, besides, they’re kicking about the workmanship on their last order of paper hats. What’s the matter out in the shop?” “Well, we’re pretty crowded back there,” the foreman explained, “and the gang’s grumbling all the time. And then we’ve had a lot of overtime. If I call ’em down again, they’re likely to get up in arms about it.” “H’m, guess we’d better give ’em a 5 per cent raise, Joe. We can afford it. Profits have been good. But tell ’em we’ve got to have better work.” Did Moss apply sound principles in making his decision?		
2. “Newman is quitting next week; guess we’ll have to look for a new cashier,” reported the office manager to the president of the Dewey-Stevens Dry Goods Company. “I don’t like that.” The president was quite apparently irritated. “His job’s hard to fill. What’s the matter?” “He says he’s got a better proposition from the Turner Furniture Company, but I hardly think so. He complained about not having enough help a couple of months ago, and I transferred that girl that Dodson was kicking about. Newman objected, but I told him she was the only one available. He’s been grouchy ever since.”		

	Check	
	Yes	No
"Yes," said the president, "I remember you had a good reason for making the change that way. And of course we can't run the whole office just to suit Newman. But there's something you failed to do." Do you know what it was?		
3. Would you characterize Newman's leaving as a "one-man strike?"		
4. From the facts given in question 2, does it appear that there was a conflict between two rights?		
5. The Thorndike Machinery Company manufactures machinery on special contract under individual specifications of each customer. The company has recently sanctioned the formation of a works council to give the workers a voice in determining certain management policies. So far, this works council has been given a voice only in the setting of wage rates and working hours, and in safety-work. It has been agreed between the management and the workers that the works council shall be entitled to a voice only in formulating the policies that affect the workers' interests directly. Now the workers want to participate in setting prices on bids for contract work. Would this fall within the scope of the agreement?		
6. The management of the Thorndike Machinery Company feels that this latest demand of the workers is largely the result of the individual efforts of Williams, an aggressive toolmaker, who is inclined to be radical and outspoken. Williams has been chosen by the workers as a member of their council. Should the management let it be known thru the plant that Williams is not the kind of representative it desires on the council?		
7. One of the directors of the Thorndike Company suggests that the works council will hamper the management less if its meetings be limited to two a year. If you were on the board of directors, would you favor this suggestion?		

Executive Problem 69

WINNING EMPLOYE CO-OPERATION

Working Out a Plan of Employee Representation

UNDER THE LASALLE PROBLEM METHOD



“WE have created and directed the work of conference committees in our plants and in our offices, which have given an opportunity for the management and the men to discuss freely their common problems. It has made it possible to interest them in the idea that they cannot be individually successful unless the company itself is successful. It has made them feel, in short, that the company's interests and their own are one.”

HOWARD COONLEY, President
Walworth Manufacturing Co.



Prepared by the Research and Consultation Staff of LaSalle Extension University from an interesting problem which it has carefully investigated and analyzed.

Executive Problem 69

WINNING EMPLOYEE CO-OPERATION

The William Slade Company operates a metal-working plant that employs about three hundred workers. It makes several kinds of automobile parts. It uses lathes, shapers, planers, milling machines, drill presses, metal-stamping machines, and polishing machines. Besides the operatives of these machines, there are some workers on assembling jobs, and porters, truckers, etc.

Most of the workers are paid on a piece-rate basis. Since a variety of articles is produced in this plant each year, and since there are frequent changes in the designs of the parts to be produced, the need frequently arises to fix new rates. This rate fixing has long been a source of irritation between the management and the men. To begin with, the workers have long been opposed to attempts to introduce "scientific management" into the plant. Some years back, one enthusiastic member of the management tried to have time studies made of all the operations by the use of the stop-watch, but the men strongly rebelled and the practice was discontinued. So the management, in fixing piece rates, has been guided by the work done on similar articles, by the actual production of the men, and by guesswork.

The management has felt that the workers are always trying to get a higher piece-rate than they ought to have, and the men have felt that the management wants to fix the rates so low that the men will have to overwork themselves in order to earn fair wages. The result has been that the men have "stalled" on their work, have tried to make each job look harder than it really is, and have wasted time, labor, power, and machinery in the attempt to make the management pay high rates.

The management has long suspected this attitude on

the part of the men, and has often met it with harshness. As a result, much distrust, disloyalty, and irritation have arisen.

Lately there has been considerable "strike" talk among the men. Several of the more aggressive employes have succeeded in crystallizing sentiment in the plant—molding it from a mass of general, unrelated grievances into a form of definite demands. There is still some disagreement among the leaders as to the best method for organizing the employes so that their demands can be presented and pushed most successfully.

Wells, a skilled mechanic in the polishing department, has worked up considerable sentiment favorable to the formation of a "local" to be affiliated with the national trade union. Cartwright, an outspoken man with a large following, is urging the men to confine their organization to the plant itself and to act as an independent body in formulating and presenting their demands. He argues that they can accomplish more with a plant organization unaffiliated with an outside body.

One or two other factions are favorable to some sort of employe association, but don't like the leaders who are pushing the other plans.

Mr. Jennings, the plant manager, has had his ear to the ground for some time, and has repeatedly urged the directors and officers of the company to take definite action of some sort to clear up the situation. He has met, however, with considerable resistance, as a majority of the management is skeptical of any plan of dealing with the employes as a body. They have, in effect, told Jennings to work out his own salvation in accord with the company policy that has been long established.

Jennings has tried hard. He has worked with the foremen to develop a better *esprit de corps* among the employes. He has encouraged the foremen to take a more sympathetic attitude toward their men, to make small improvements in working conditions, to make the working atmosphere more congenial. A keen student of human nature himself, he has won the loyalty of his foremen and has tried hard to transmit his personality thru them to the men. But the task has been too difficult. The men are soured on the company, and while they will grudgingly admit that Jennings is himself a "square guy," they feel that he is of the management and therefore not on their side.

Things have now got to the point where Jennings has laid all his cards on the table before a special meeting of the board of directors. He has told them that he cannot go on, and that the plant cannot go on unless something is done to wipe out definitely the grievances of the employes. There has followed a heated discussion. It devel-

ops that several directors have recently heard rumors from their business acquaintances in the community to the effect that the Slade Company is mistreating its workers, and that numerous workers in other concerns have openly said that they have advised their friends not to work for the company under any circumstances.

Mounting costs and reduced profits are discussed pro and con. The balance scales are finally turned definitely by the treasurer when he proposes a vote of confidence in Jennings, and makes a strong plea for giving him more freedom of action. The vote carries, and the president appoints a committee of three, with Jennings at the head, to formulate a policy and to report a definite plan for dealing with the workers and arriving at a satisfactory settlement that will win their co-operation.

The questions this committee considers are outlined in the working paper. How would you iron out the difficulties of this situation?

